EXHIBIT 6: REVENUE REQUIREMENT AND REVENUE DEFICIENCY OR SUFFICIENCY

2024 Cost of Service

InnPower Corporation
EB-2023-0033

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6-1-1 REVENUE REQUIREMENT & REVENUE DEFICIENCY OR SUFFICIENCY

1. INTRODUCTION

This Exhibit provides a summary of the revenue requirement being requested by InnPower for 2024 to continue to deliver electricity to its customers safely and reliably. InnPower's total Service Revenue Requirement is offset by revenues obtained by sources other than distribution rates (i.e., other revenue).

As directed in the Chapter 2 Filing Requirements for Electricity Distribution Rate Applications, the calculation of the revenue deficiency/sufficiency does not include the recovery of deferral and variance accounts (outlined in Exhibit 9-3-1: Disposition of Deferral and Variance Accounts), Low Voltage Charges (outlined in Exhibit 8-6-1: Low Voltage Service Rates), or costs and revenues related to the Cost of Power.

Details on existing and projected distribution revenue at existing rates using forecasted 2024 kWh consumption and demand kW volumes are presented in Exhibit 8-10-1 and replicated below. Other revenues presented in Exhibit 6-3-1 set out distribution revenues at 2023 Bridge Year and 2024 Test Year volumes.

1.1 Proposed Revenue Requirement

The 2024 Service Revenue Requirement, which represents the amount of money that a utility must receive from its customers to cover its costs, operating expenses, taxes, interest paid on debts owed to investors and, if applicable, a deemed return (profit) is calculated as $18,359,333. The Base Revenue Requirement when considering revenue offsets is calculated as $14,421,850.

The table below presents InnPower's proposed Base Revenue Requirement as calculated in the OEB's Revenue Requirement Work Form, which is being filed with this application. It is also presented in Appendix 6-1-1 (A) of this Exhibit.

Table 6-1: Summary of Test Year Revenue Requirement

Particulars	2024 Test Year	Reference
OM&A Expenses	8,327,618	Exhibit 4
Depreciation Expense	5,027,633	Exhibit 2
Property Taxes	129,180	4.1.5
Total Distribution Expenses	11,484,432	
Regulated Return On Capital	4,621,661	Exhibit 5
Grossed up PILs	253,241	6.2.1
Service Revenue Requirement	18,359,333	
Less: Revenue Offsets	(3,937,483)	6.3.1
Base Revenue Requirement	14,421,850	

1.2 Statement of Rate Base

InnPower Corporation's Rate Base represents the average balance of opening and closing balances for net capital assets in service, plus 7.5% of the cost of power and controllable operating expenses for the 2024 Test Year. InnPower Corporation's total Rate Base calculation for the 2024 Test Year is $76,786,731.

Table 6-2: Rate Base and Working Capital from RRWF Model

Particulars	2024 Test Year
Gross Fixed Assets (average)	96,234,337
Accumulated Depreciation (average)	(22,456,566)
Net Fixed Assets (average)	73,777,771
Allowance for Working Capital	3,008,960
Total Rate Base	76,786,731

Additional details for the calculation of rate base and working capital can be found in Exhibit 2.

1.3 Return on Rate Base

1.3.1 Requested Return

InnPower Corporation has utilized the Cost of Capital Parameters as per the OEB for 2024 Applications, with the exception of the long-term debt rate where InnPower has utilized the actual interest rate for existing and proposed loans (more details are found in Exhibit 5). The OEB's Rate of Return and InnPower's Requested Rate of Return have been calculated for the 2024 Test Year and are set out in the tables below. InnPower is requesting a return on Rate Base in the amount of $4,621,661 (6.02% of rate base).

Table 6-3: Summary of Rate of Return Requested for 2024 Test Year

Particulars	Capitalization Ratio	Capitalization Ratio	Cost Rate	Requested Return
	%	$	%	$
Debt				
Long-term Debt	56.00%	43,000,570	3.72%	1,599,643
Short-term Debt	4.00%	3,071,469	4.79%	147,123
Total Debt	60.00%	46,072,039	3.79%	1,746,766
Equity				
Common Equity	40.00%	30,714,693	9.36%	2,874,895
Preferred Shares	0.00%	0	0.00%	0
Total Equity	40.00%	30,714,693	9.36%	2,874,895
Total	100.00%	76,786,731	6.02%	4,621,661

1.3.2 Indicated Return

InnPower's Indicated Return is 5.72%, which is calculated as net income ($2,648,740) plus deemed interest expense ($1,746,766) divided by the Utility Rate Base ($76,783,731). The rate is slightly below the requested 6.02%, due to the $307,694 deficiency in income.

1.3.3 Actual Return

The following tables provide the Actual Return on Rate Base from the 2017 OEB Approved to 2024 Test Year using the 2017 OEB approved rates.

Table 6-4: Summary of Rate of Return from 2017 OEB Approved to 2019 Actuals

			2017 OEB Approved		2017		2018		2019	
	Capitalization Ratio	Cost Rate	Capitalization Ratio	Return	Capitalization Ratio	Return	Capitalization Ratio	Return	Capitalization Ratio	Return
Particulars	%	%	$	$	$	$	$	$	$	$
Debt										
Long-term Debt	56.00%	3.57%	29,447,499	1,051,276	29,514,261	1,053,659	30,405,388	1,085,472	31,211,451	1,114,249
Short-term Debt	4.00%	1.76%	2,103,393	37,020	2,108,161	37,104	2,171,813	38,224	2,229,389	39,237
Total Debt	60.00%	2.07%	31,550,892	1,088,295	31,622,422	1,090,763	32,577,201	1,123,696	33,440,840	1,153,486
Equity										
Common Equity	40.00%	8.78%	21,033,928	1,846,779	21,081,615	1,850,966	21,718,134	1,906,852	22,293,894	1,957,404
Preferred Shares	0.00%	0.00%	0	0	0	0		0	0	0
Total Equity	40.00%	3.51%	21,033,928	1,846,779	21,081,615	1,850,966	21,718,134	1,906,852	22,293,894	1,957,404
Total	100.00%	5.58%	52,584,820	2,935,074	52,704,037	2,941,729	54,295,335	3,030,548	55,734,734	3,110,890

Table 6-5: Summary of Rate of Return from 2020 Actuals to 2023 Bridge Year

Particulars	Capitalization Ratio	Cost Rate	2020		2021		2022		2023	
			Capitalization Ratio	Return	Capitalization Ratio	Return	Capitalization Ratio	Return	Capitalization Ratio	Return
	%	%	$	$	$	$	$	$	$	$
Debt										
Long-term Debt	56.00%	3.57%	32,505,889	1,160,460	34,143,221	1,218,913	35,753,770	1,276,410	39,088,252	1,395,451
Short-term Debt	4.00%	1.76%	2,321,849	40,865	2,438,801	42,923	2,553,841	44,948	2,792,018	49,140
Total Debt	60.00%	2.07%	34,827,738	1,201,325	36,582,022	1,261,836	38,307,611	1,321,357	41,880,270	1,444,590
Equity										
Common Equity	40.00%	8.78%	23,218,492	2,038,584	24,388,015	2,141,268	25,538,407	2,242,272	27,920,180	2,451,392
Preferred Shares	0.00%	0.00%	0	0	0	0	0	0	0	0
Total Equity	40.00%	3.51%	23,218,492	2,038,584	24,388,015	2,141,268	25,538,407	2,242,272	27,920,180	2,451,392
Total	100.00%	5.58%	58,046,230	3,239,908	60,970,037	3,403,104	63,846,018	3,563,629	69,800,450	3,895,982

1.4 Determination of Net Income and Calculation of Revenue Deficiency or Sufficiency

InnPower Corporation's existing rates are based on the Board-approved rates in 2017 following a Cost of Service rate application (EB-2016-0085), and five adjustments to its base distribution rates in 2019 to 2023 (Bridge Year) under the Board's Generation Incentive Regulation Mechanism. Please note, there was no IRM application filed for 2018, as the 2017 rates were delayed until May 2018. The current (2023) rates were approved in InnPower's IRM application (EB-2022-0081).

The determination of net income includes:

- Distribution revenue at current and approved rates (Exhibit 8-10-1)
- Other Operating Revenue Offsets (Exhibit 6-3-1)
- Operating Expenses (Exhibit 4)
- Deemed Interest Expense (Exhibit 5-1-1)
- PILS (Exhibit 6-2-1)

With the 6.02% requested rate of return, InnPower Corporation's grossed up revenue deficiency under the current distribution rates is $307,694.

A detailed calculation presented in Table 6-6 outlines the Revenue Deficiency calculation for the 2024 Test Year at Proposed Rates using the InnPower's current approved distribution rates. The table presented at the next page is an excerpt from the Revenue Requirement Work Form.

Table 6-6: 2024 Revenue Deficiency from RRWF Model

Particulars	At Current Approved Rates	At Proposed Rates
Revenue Deficiency from Below		307,694
Distribution Revenue	14,114,157	14,114,156
Other Operating Revenue Offsets - net	3,937,483	3,937,483
Total Revenue	18,051,640	18,359,333
Operating Expenses	13,484,432	13,484,432
Deemed Interest Expense	1,746,766	1,746,766
Total Cost and Expenses	15,231,198	15,231,198
Utility Income Before Income Taxes	2,820,442	3,128,135
Tax Adjustments to Accounting Income per PILs model	-2,172,511	-2,172,511
Taxable Income	647,931	955,624
Income Tax Rate	26.50%	26.50%
Income Tax on Taxable Income	171,702	253,241
Income Tax Credits	0	0
Utility Net Income	2,648,740	2,874,895
Utility Rate Base	76,786,731	76,786,731
Deemed Equity Portion of Rate Base	30,714,693	30,714,693
Income/(Equity Portion of Rate Base)	8.62%	9.36%
Target Return - Equity on Rate Base	9.36%	9.36%
Deficiency/Sufficiency in Return on Equity	-0.74%	0.00%
Indicated Rate of Return	5.72%	6.02%
Requested Rate of Return on Rate Base	6.02%	6.02%
Deficiency/Sufficiency in Rate of Return	-0.29%	0.00%
Target Return on Equity	2,874,895	2,874,895
Revenue Deficiency/(Sufficiency)	226,155	-0
Gross Revenue Deficiency/(Sufficiency)	307,694	

1.5 Summary of Revenue Requirement

The following table reflects InnPower Corporation's Revenue Requirement trend from the 2017 OEB Approved through to the 2024 Test year.

Table 6-7: Summary of Revenue Requirement Trends

Particulars	2017 Approved	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Bridge Year	2024 Test Year
OM&A Expenses	5,316,777	6,013,193	5,782,892	5,639,861	6,263,125	6,458,123	7,024,755	7,522,942	8,327,618
Depreciation Expense	2,699,369	2,363,374	2,454,630	2,607,425	2,893,552	3,199,999	3,535,382	4,415,904	5,027,633
Property Taxes	110,950	79,425	83,031	93,163	120,263	119,329	118,834	125,400	129,180
Total Distribution Expenses	8,127,096	8,455,993	8,320,553	8,340,449	9,276,939	9,777,451	10,678,972	12,064,247	13,484,432
Regulated Return On Capital	2,934,967	2,941,729	3,030,548	3,110,890	3,239,908	3,403,104	3,563,629	3,895,982	4,621,661
Grossed up PILs	149,534	89,501	697,959	774,952	(280,164)	154,976	291,394	2,031,054	253,241
Service Revenue Requirement	11,211,597	11,487,223	12,049,061	12,226,291	12,236,684	13,335,530	14,533,996	17,991,282	18,359,333
Less: Revenue Offsets	(1,094,472)	(656,664)	(2,040,310)	(2,256,270)	(1,796,935)	(1,889,196)	(2,582,683)	(3,388,402)	(3,937,483)
Base Revenue Requirement	10,117,125	10,830,558	10,008,751	9,970,021	10,439,749	11,446,334	11,951,313	14,602,881	14,421,850

As can be seen from the table above, there is an upward trend in the revenue requirement from the 2017 OEB approved to the 2024 Test Year. Key drivers to the increase are as follows:

- Customer growth and demand (as outlined in Exhibit 3 Load Forecast).
- Increased capital requirements (as outlined in InnPower Corporation's DSP and detailed in Exhibit 2-5-3 and in Exhibit 2-5-1 Capital Expenditure and In-Service Addition Summary))
- Increase in OM&A expense as outlined in Exhibit 4
- Increase in Depreciation as outlined in Exhibit 2

1.6 Revenue Deficiency Analysis and Drivers

The table below is a summary of the 2017 OEB Approved compared to the 2024 Test Year Revenue Requirement which is followed by an explanation for each item that gives rise to the $307,694 deficiency.

The amount is net of price differentials captured in RSVAs and net of any costs associated with Low Voltage charges. InnPower does not have distribution expenditures/revenues being tracked through approved deferral and variance accounts for certain distribution assets.

Table 6-8: Revenue Requirement Work Form

Particulars	2017 OEB Approved	2024 Proposed Test Year	Total Change: 2017 Approved to 2024 Test	Total Change: Change
Rate Base				
Average Fixed Assets	50,270,805	73,777,771	23,506,966	47%
Cost of Power	25,599,739	31,662,671	6,062,932	24%
Operating Expenses	5,253,792	8,456,798	3,203,006	61%
Working Capital	30,853,531	40,119,469	9,265,938	30%
	7.50%	7.50%		
Working Capital Allowance	2,314,015	3,008,960	694,945	30%
Total Rate Base	52,584,820	76,786,731	24,201,912	46%
Cost of Capital				
Return on Equity	1,846,779	2,874,895	1,028,116	56%
Deemed Interest Expense	1,088,295	1,746,766	658,471	61%
	2,935,074	4,621,661	1,686,587	57%
Operating Expenses				
Depreciation	2,699,369	5,027,633	2,328,264	86%
OM&A Expenses	5,316,777	8,327,618	3,010,841	57%
PILs (grossed up)	149,534	253,241	103,707	69%
Property Taxes	110,950	129,180	18,230	16%
	8,276,630	13,737,672	5,461,042	66%
Revenue Requirement				
Service Revenue Requirement	11,211,704	18,359,333	7,147,629	64%
Other Revenues	(1,094,472)	(3,937,483)	(2,843,011)	260%
Base Revenue Requirement	**10,117,232**	**14,421,850**	**4,304,618**	**43%**
Revenue at Current Rates	14,114,156	14,421,850	307,694	2%
Revenue Deficiency		307,694	307,694	
Requested Rate Increase %		2.18%	0	

The $307,694 deficiency in the Revenue Requirement from the 2017 OEB approved to the 2024 Test Year are explained based on the following:

- Increase of 46% in Rate Base, as a result of:
  - Increase of $23M in Average Net Fixed Assets. This is a 47% change from the 2017 OEB approved amount. InnPower continues to make significant capital expenditures to service growth in the territory and replace aging infrastructure. Details on capital expenditures can be found in Exhibit 2.
  - Increase of $9.2M in Working Capital. This is a 30% change from the 2017 OEB approved amount. InnPower projects a 30% increase in total customers and a

24% in kWh consumption from the 2017 OEB approved to the 2024 Test Year, which results in a significant increase in Cost of Power. InnPower will continue to use the working capital factor of 7.5%. Details on rate base and working capital can be found in Exhibit 2.

- Increase of $1.0M of Return on Equity. This is a 56% increase from the 2017 OEB approved amount. InnPower has significantly increased rate base by $24M, as well as requesting an increase in the Return on Equity rate from the OEB approved amount of 8.78% in 2017 to 9.36% in 2024. Details can be found in Exhibit 5.
- Increase of $658k of Deemed Interest. This is a 61% increase from the 2017 OEB approved amount. InnPower has significantly increased rate base by $24M, as well as requesting an increase in the Deemed Interest rate from the OEB approved amount of 3.45% in 2017 to 3.79% in 2024. Details can be found in Exhibit 5.
- Increase of $2M of Depreciation. This is an 86% increase from the 2017 OEB approved amount. As InnPower collects a significant amount of capital contributions, the depreciation expense has been offset by a substantial amount of deferred revenue, resulting in a marginal increase. Details can be found in Exhibit 2.
- Increase of $3.0M of OM&A. This is a 57% increase from the 2017 OEB approved amount. Details can be found in Exhibit 4. In summary this is a result of:
  - Increased costs to maintain the distribution system and associated reliability metrics.
  - A net increase in FTE count of approximately 30 over the 2017 figure (73 in 2024 versus 43 in 2017).
    - New hires brought on in 2023 and 2024 to support the growing customer base and capital plan.
  - Significant inflationary increases from economic forces.
- Increase of $103k of PILS. This is a 69% increase from the 2017 OEB approved amount. As a result of an increase in taxable income, PILS has also increased. Details can be found in Exhibit 4.

- Increase of $18k of Property Taxes. This is a 16% increase from the 2017 OEB approved amount. Property taxes are outside the control of InnPower. Details can be found in Exhibit 4.
- Increase of $3M in Other Revenue. This is a 260% increase from the 2017 OEB approved amount. InnPower has increased revenue from shared services, rental revenues and recoverable work from 2017. Details can be found in 6-3-1.

More details can be found in the Revenue Requirement Work Form ("RRWF"). InnPower Corporation has filed, in PDF and Microsoft Excel versions of the RRWF for the 2024 Test Year.

1.7 2023 Forecasted Revenue at Existing Rates

The following table details the 2023 forecasted revenue at exiting rates based on the projected customer and volume of consumption in the load forecast. The total revenue for 2023 is forecasted at $13,701,411.

Table 6-9: 2023 Forecasted Revenue at Existing Rates

	Units	Average Customers / Connections	Consumption		Current Rates			Rev at current Fixed Rate	Rev at current Var Rate	Total
			kWh	kW	Monthly Service Charge	Volumetric				
						kWh	kW			
Residential	kWh	19,346	185,255,263	-	$48.13	$0.0000		$11,173,664	$0	$11,173,664
GS<50 kW	kWh	1,284	44,741,760	-	$46.24	$0.0112		$712,702	$501,108	$1,213,810
GS 50 to 4999 kW	kW	79		150,019	$236.52		$4.7930	$223,122	$697,223	$920,345
Sentinel Lighting	kW	149		266	$15.08		$68.7371	$26,937	$18,297	$45,234
Street Lighting	kW	4,171		2,524	$4.61		$31.8708	$230,727	$80,452	$311,179
Unmetered Scattered Load	kWh	72	444,471		$14.31	$0.0241		$12,341	$10,712	$23,052
Embedded Distributor	kW	1		2,355	$236.52		$4.7930	$2,838	$11,287	$14,125
TOTAL			230,441,495	155,164				$12,382,331	$1,319,080	$13,701,411

6-2-1 PAYMENT IN LIEU OF TAXES

1. INTRODUCTION

InnPower is required to make payments in lieu of income taxes ("taxes") based on its taxable income. InnPower files Federal/Provincial tax returns annually.

There have been no special circumstances that would require specific tax planning measures to minimize taxes payable.

InnPower has been selected for an audit of its 2018 and 2019 Provincial tax returns by the Canada Revenue Agency. No or immaterial adjustments are expected once the audit is complete. There are no outstanding reassessments or disputes relating the tax returns filed by InnPower.

1.1 PILS TAX WORKFORM

InnPower has used the OEB PILs Tax WorkForm model to calculate the amount of taxes for inclusion in its 2024 rates. PILs have been calculated under MIFRS accounting policies. InnPower's taxes for the 2024 Test Year amount to $253,241.

InnPower confirms that it has use of the stand-alone principle when determining PILs amounts and has verified the following information:

- It has exercised sound tax planning and that for rate setting purposes, it maximized tax credits and take the maximum deductions allowed if it made sense for the utility to do so.
- It has excluded regulatory assets and liabilities from PILs calculations both when they were created, and when they were collected, regardless of the actual tax treatment accorded to those amounts.
- A copy of the most recent Federal and Provincial tax is filed as Appendix 6-2-1 (E) of this Exhibit. The 2022 Tax Return will be filed as soon as it is available.
- Detailed calculations of Income Tax or PILs are shown in the OEB PILs model filed as Appendix 6-2-1 (G) along with this application.

- Adjustments to PILs were required for the purpose of calculating accelerated CCA. Supporting tables and explanations are provided below. There are no other adjustments (i.e., Tax credits, CCA adjustments) for the Historical, Bridge and Test Years and as such, no other supporting schedules and calculations and explanations for "other additions" and "other deductions" were required.

This Exhibit contains the following attachments:

- Appendix 6-2-1 (A) – 2017 Tax Return
- Appendix 6-2-1 (B) – 2018 Tax Return
- Appendix 6-2-1 (C) – 2019 Tax Return
- Appendix 6-2-1 (D) – 2020 Tax Return
- Appendix 6-2-1 (E) – 2021 Tax Return
- Appendix 6-2-1 (F) – 2022 Tax Return
- Appendix 6-2-1 (G) – OEB Work form – 2024 Income Tax/PILS Work form

2. OTHER TAXES

InnPower pays property taxes to the Town of Innisfil which is discussed in more detail in Exhibit 4.

3. NON-RECOVERABLE AND DISALLOWED EXPENSES

InnPower confirms that expenses that are deemed non-recoverable in the revenue requirement (i.e., individual charitable donations) or disallowed for regulatory purposes have been excluded from the regulatory tax calculation.

6-3-1 OTHER REVENUE

1. INTRODUCTION

Other Distribution Revenues are revenues that are distribution related but are sourced from means other than distribution rates. For this reason, other revenues are deducted from InnPower's proposed revenue requirement.

Further details on the derivation of the Revenue Requirement are presented in Exhibit 6-1-1.

Other Distribution Revenues includes items such as:

- Specific Service Charges
- Late Payment Charges
- Other Distribution Revenues
- Other Income and Expenses

This Schedule will provide a summary of Other Revenue from the 2017 OEB Approved to the 2024 Test Year by account, provide a high-level variance analysis, outline the components of the accounts in detail and present revenue from new specific service charges.

2. SUMMARY OF OTHER REVENUE

Table 6-10 shows the detailed breakdown of InnPower's Other Revenue by USoA account from the 2017 OEB Approved to the 2024 Test Year. The table is also filed in Appendix 6-3-1 (A) 2H – Other Operating Revenue.

Table 6-10: Other Revenue from 2017 OEB Approved to 2024 Test Year

USoA #	USoA Description	2017 Approved	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Bridge Year	2024 Test Year
	Reporting Basis	**MIFRS**	**MIFRS**	**MIFRS**	**MIFRS**	**MIFRS**	**MIFRS**	**MIFRS**	**MIFRS**	**MIFRS**
4082	Retail Services Revenues	$ -	-$ 10,932	-$ 11,568	-$ 14,909	-$ 15,344	-$ 16,757	-$ 14,768	-$ 13,902	-$ 14,180
4084	Requests (STR)	$ -	-$ 134	-$ 48	$ -	$ -	$ -	$ -	$ -	$ -
4086	SSS Admin Charge (SSS)	$ -	$ -	$ -	$ -	$ -	$ -	-$ 64,524	-$ 76,328	-$ 79,906
4210	Rent from Electric Property	-$ 269,217	-$ 166,019	-$ 234,376	-$ 322,911	-$ 283,788	-$ 284,657	-$ 283,002	-$ 297,670	-$ 297,670
4225	Late Payment Charges	-$ 111,252	-$ 106,918	-$ 105,419	-$ 89,306	-$ 117,181	-$ 97,512	-$ 113,621	-$ 139,200	-$ 139,200
4235	Revenues	-$ 170,000	-$ 106,848	-$ 161,691	-$ 140,414	-$ 115,277	-$ 163,460	-$ 632,823	-$ 222,713	-$ 258,228
4245	Deferred Revenue	-$ 547,497	-$ 419,069	-$ 446,327	-$ 540,494	-$ 742,274	-$ 926,727	-$ 1,115,463	-$ 1,823,643	-$ 2,253,932
4355	Gain on Disposal of Property	$ 183,094	$ 48,935	$ 11,424	$ 59,813	$ 6,270	$ 344,711	$ 61,137	$ -	$ -
4375	Revenues from Non-Utility Operations	-$ 1,599,850	-$ 927,387	-$ 1,565,066	-$ 1,217,885	-$ 1,569,564	-$ 1,569,057	-$ 925,764	-$ 2,144,607	-$ 2,308,849
4380	Expenses of Non-Utility Operations	$ 1,543,250	$ 1,171,945	$ 1,226,993	$ 985,242	$ 1,266,622	$ 1,026,780	$ 893,437	$ 1,554,162	$ 1,640,262
4385	Non-Utility Rental Income	$ -	$ -	$ -	$ -	-$ 106,843	-$ 112,612	-$ 139,658	-$ 113,921	-$ 115,200
4390	Miscellaneous Non-Operating Income	-$ 93,000	-$ 99,702	-$ 148,027	-$ 157,735	-$ 22,912	-$ 35,654	-$ 9,322	-$ 24,000	-$ 24,000
4405	Interest and Dividend Income	-$ 30,000	-$ 40,535	-$ 606,205	-$ 817,671	-$ 96,645	-$ 54,251	-$ 238,311	-$ 86,580	-$ 86,580
Miscellaneous Service Revenues		-$ 170,000	-$ 106,848	-$ 161,691	-$ 140,414	-$ 115,277	-$ 163,460	-$ 632,823	-$ 222,713	-$ 258,228
Late Payment Charges		-$ 111,252	-$ 106,918	-$ 105,419	-$ 89,306	-$ 117,181	-$ 97,512	-$ 113,621	-$ 139,200	-$ 139,200
Other Operating Revenues		-$ 816,714	-$ 596,154	-$ 692,319	-$ 878,314	-$ 1,041,406	-$ 1,228,141	-$ 1,477,758	-$ 2,211,543	-$ 2,645,688
Other Income or Deductions		$ 3,494	$ 153,256	-$ 1,080,881	-$ 1,148,235	-$ 523,071	-$ 400,082	-$ 358,482	-$ 814,945	-$ 894,367
Total		-$ 1,094,472	-$ 656,664	-$ 2,040,310	-$ 2,256,270	-$ 1,796,935	-$ 1,889,196	-$ 2,582,683	-$ 3,388,402	-$ 3,937,483

3. OTHER REVENUE VARIANCE ANALYSIS

The following section will provide a high-level year-over-year variance analysis by account from the 2017 OEB Approved to the 2024 Test Year.

Table 6-11 shows the variance between the 2017 OEB Approved amount and 2024 Test year amounts.

Table 6-11: Other Revenue 2017 OEB-approved to 2024 Test Year

APH	USoA Description	Forecast Period / Approved			
		2024 Test vs 2017 Approved			
		2017	2024	Var $	Var %
4082	Retail Services Revenues	0	(14,180)	(14,180)	0%
4086	SSS Admin Charge (SSS)	0	(79,906)	(79,906)	0%
4210	Rent from Electric Property	(269,217)	(297,670)	(28,453)	11%
4225	Late Payment Charges	(111,252)	(139,200)	(27,948)	25%
4235	Miscellaneous Service Revenues	(170,000)	(258,228)	(88,228)	52%
4245	Deferred Revenue	(547,497)	(2,253,932)	(1,706,435)	312%
4355	Gain on Disposal of Property	183,094	0	(183,094)	(100%)
4375	Revenues from Non-Utility Operations	(1,599,850)	(2,308,849)	(708,999)	44%
4380	Expenses of Non-Utility Operations	1,543,250	1,640,262	97,012	6%
4385	Non-Utility Rental Income	0	(115,200)	(115,200)	0%
4390	Miscellaneous Non-Operating Income	(93,000)	(24,000)	69,000	(74%)
4405	Interest and Dividend Income	(30,000)	(86,580)	(56,580)	189%
	Total	(1,094,472)	(3,937,483)	(2,843,012)	260%

<u>Change from 2017 Approved to 2024 Test Year</u>

The Other Revenue variance reflects an increase of $2.84 million. Most of this increase is due to higher revenue from non-utility operations and rental income (+$783k net of expenses) and (+$1.71 million) in deferred revenue (contributions from developers brought into income over time).

Revenues from non-utility operations are revenues for activities with InnPower's affiliates. This amount varies year-to-year depending on the projects each year at the affiliate level. It also includes fully allocated cost charges in accordance with ARC. For more information on InnPower's affiliates and the agreements between InnPower and its affiliates please see Exhibit 4-2-1 Shared Services and Corporate Allocations.

Rent from Electric Property (4210 - pole rentals) have increased over the years with the addition of poles in InnPower's distribution area.

In 2017, InnPower grouped office space rental with miscellaneous non-operating income (4390). The utility has since moved it to non-utility rental income (4385) where it belongs. Prior to 2023, InnPower grouped Standard Service Supply (SSS) administrative charges in with USoA 4080 (distribution revenue); however, InnPower has allocated revenue to the correct USoA 4084 (SSS Admin) for 2023 and 2024.

Table 6-12 shows the variance between 2018 Actual and 2017 Actual.

Table 6-12: Other Revenue 2018 Actual to 2017 Actual

APH	USoA Description	Historical Period / Actual			
		2018 Actual vs 2017 Actual			
		2017	2018	Var $	Var %
4082	Retail Services Revenues	(10,932)	(11,568)	(636)	6%
4084	Service Transaction Requests (STR)	(134)	(48)	86	(64%)
4210	Rent from Electric Property	(166,019)	(234,376)	(68,358)	41%
4225	Late Payment Charges	(106,918)	(105,419)	1,500	(1%)
4235	Miscellaneous Service Revenues	(106,848)	(161,691)	(54,843)	51%
4245	Deferred Revenue	(419,069)	(446,327)	(27,258)	7%
4355	Gain on Disposal of Property	48,935	11,424	(37,511)	(77%)
4375	Revenues from Non-Utility Operations	(927,387)	(1,565,066)	(637,680)	69%
4380	Expenses of Non-Utility Operations	1,171,945	1,226,993	55,048	5%
4390	Miscellaneous Non-Operating Income	(99,702)	(148,027)	(48,325)	48%
4405	Interest and Dividend Income	(40,535)	(606,205)	(565,670)	1396%
	Total	(656,664)	(2,040,310)	(1,383,646)	211%

<u>Change from 2018 Actual to 2017 Actual</u>

The Other Revenue variance reflects an increase of $1.38 million. Most of this increase is due to higher revenue from non-utility operations (+$583k net of expenses) and carrying charges on regulatory assets (+$562k).

Revenues from non-utility operations are revenues for activities with InnPower's affiliates. This amount varies year-to-year depending on the projects each year at the affiliate level. It also includes fully allocated cost charges in accordance with ARC.

Rent from Electric Property (pole rentals) increased over the years with the addition of poles in InnPower's distribution area.

In 2018 InnPower also saw an increase (+$42k) in recoverable work orders.

Table 6-13 shows the variance between 2019 Actual and 2018 Actual.

Table 6-13: Other Revenue 2019 Actual to 2018 Actual

APH	USoA Description	Historical Period / Actual			
		2019 Actual vs 2018 Actual			
		2018	2019	Var $	Var %
4082	Retail Services Revenues	(11,568)	(14,909)	(3,340)	29%
4084	Service Transaction Requests (STR)	(48)	0	48	(100%)
4210	Rent from Electric Property	(234,376)	(322,911)	(88,535)	38%
4225	Late Payment Charges	(105,419)	(89,306)	16,112	(15%)
4235	Miscellaneous Service Revenues	(161,691)	(140,414)	21,277	(13%)
4245	Deferred Revenue	(446,327)	(540,494)	(94,168)	21%
4355	Gain on Disposal of Property	11,424	59,813	48,389	424%
4375	Revenues from Non-Utility Operations	(1,565,066)	(1,217,885)	347,181	(22%)
4380	Expenses of Non-Utility Operations	1,226,993	985,242	(241,751)	(20%)
4390	Miscellaneous Non-Operating Income	(148,027)	(157,735)	(9,708)	7%
4405	Interest and Dividend Income	(606,205)	(817,671)	(211,466)	35%
	Total	(2,040,310)	(2,256,270)	(215,960)	11%

<u>Change from 2019 Actual to 2018 Actual</u>

The Other Revenue variance reflects an increase of $216k. Most of this increase is due to higher revenue from non-utility operations (+$105k net of expenses) and carrying charges on regulatory assets (+$219k) and (+$94k) in deferred revenue (contributions from developers brought into income over time).

Revenues from non-utility operations are revenues for activities with InnPower's affiliates. This amount varies year-to-year depending on the projects each year at the affiliate level. It also includes fully allocated cost charges in accordance with ARC.

Rent from Electric Property (pole rentals) increased over the years with the addition of poles in InnPower's distribution area.

Table 6-14 shows the variance between 2020 Actual and 2019 Actual.

Table 6-14: Other Revenue 2020 Actual to 2019 Actual

APH	USoA Description	Historical Period / Actual			
		2020 Actual vs 2019 Actual			
		2019	2020	Var $	Var %
4082	Retail Services Revenues	(14,909)	(15,344)	(435)	3%
4210	Rent from Electric Property	(322,911)	(283,788)	39,123	(12%)
4225	Late Payment Charges	(89,306)	(117,181)	(27,874)	31%
4235	Miscellaneous Service Revenues	(140,414)	(115,277)	25,137	(18%)
4245	Deferred Revenue	(540,494)	(742,274)	(201,779)	37%
4355	Gain on Disposal of Property	59,813	6,270	(53,543)	(90%)
4375	Revenues from Non-Utility Operations	(1,217,885)	(1,569,564)	(351,678)	29%
4380	Expenses of Non-Utility Operations	985,242	1,266,622	281,380	29%
4385	Non-Utility Rental Income	0	(106,843)	(106,843)	0%
4390	Miscellaneous Non-Operating Income	(157,735)	(22,912)	134,823	(85%)
4405	Interest and Dividend Income	(817,671)	(96,645)	721,026	(88%)
	Total	(2,256,270)	(1,796,935)	459,335	(20%)

Change from 2020 Actual to 2019 Actual

The Other Revenue variance reflects a decrease of $459k. Most of this decrease is due to a reduction in carrying charges on regulatory assets (-$725k), offset by an increase (+$202k) in deferred revenue (contributions from developers brought into income over time).

Revenues from non-utility operations are revenues for activities with InnPower's affiliates. This amount varies year-to-year depending on the projects each year at the affiliate level. It also includes fully allocated cost charges in accordance with ARC.

Rent from Electric Property (pole rentals) increased over the years with the addition of poles in InnPower's distribution area.

InnPower had grouped office space rental with miscellaneous non-operating income (4390). In 2020 InnPower moved it to non-utility rental income (4385) where it belongs.

Table 6-15 shows the variance between 2021 Actual and 2020 Actual.

Table 6-15: Other Revenue 2021 Actual to 2020 Actual

APH	USoA Description	Historical Period / Actual			
		2021 Actual vs 2020 Actual			
		2020	2021	Var $	Var %
4082	Retail Services Revenues	(15,344)	(16,757)	(1,413)	9%
4210	Rent from Electric Property	(283,788)	(284,657)	(869)	0%
4225	Late Payment Charges	(117,181)	(97,512)	19,668	(17%)
4235	Miscellaneous Service Revenues	(115,277)	(163,460)	(48,183)	42%
4245	Deferred Revenue	(742,274)	(926,727)	(184,454)	25%
4355	Gain on Disposal of Property	6,270	344,711	338,441	5398%
4375	Revenues from Non-Utility Operations	(1,569,564)	(1,569,057)	507	(0%)
4380	Expenses of Non-Utility Operations	1,266,622	1,026,780	(239,843)	(19%)
4385	Non-Utility Rental Income	(106,843)	(112,612)	(5,768)	5%
4390	Miscellaneous Non-Operating Income	(22,912)	(35,654)	(12,742)	56%
4405	Interest and Dividend Income	(96,645)	(54,251)	42,394	(44%)
	Total	(1,796,935)	(1,889,196)	(92,261)	5%

Change from 2021 Actual to 2020 Actual

The Other Revenue variance reflects a decrease of $92k. Most of this decrease is due to a reduction in expenses from non-utility operations, as well as a loss on disposal of property.

Revenues from non-utility operations are revenues for activities with InnPower's affiliates. This amount varies year-to-year depending on the projects each year at the affiliate level. It also includes fully allocated cost charges in accordance with ARC.

Table 6-16 shows the variance between 2022 Actual and 2021 Actual.

Table 6-16: Other Revenue 2022 Actual to 2021 Actual

APH	USoA Description	Historical Period / Actual			
		2022 Actual vs 2021 Actual			
		2021	2022	Var $	Var %
4082	Retail Services Revenues	(16,757)	(14,768)	1,989	(12%)
4086	SSS Admin Charge (SSS)	0	(64,524)	(64,524)	0%
4210	Rent from Electric Property	(284,657)	(283,002)	1,654	(1%)
4225	Late Payment Charges	(97,512)	(113,621)	(16,108)	17%
4235	Miscellaneous Service Revenues	(163,460)	(632,823)	(469,363)	287%
4245	Deferred Revenue	(926,727)	(1,115,463)	(188,736)	20%
4355	Gain on Disposal of Property	344,711	61,137	(283,574)	(82%)
4375	Revenues from Non-Utility Operations	(1,569,057)	(925,764)	643,292	(41%)
4380	Expenses of Non-Utility Operations	1,026,780	893,437	(133,343)	(13%)
4385	Non-Utility Rental Income	(112,612)	(139,658)	(27,046)	24%
4390	Miscellaneous Non-Operating Income	(35,654)	(9,322)	26,332	(74%)
4405	Interest and Dividend Income	(54,251)	(238,311)	(184,061)	339%
	Total	(1,889,196)	(2,582,683)	(693,487)	37%

Change from 2022 Actual to 2021 Actual

The Other Revenue variance reflects an increase of $693k. Most of this increase is due to an increase in recoverable workorder revenue (+$480k), a $189k increase in deferred revenue, a $284k reduction in losses on disposal of property, a $113k increase in carrying charges on regulatory assets and offset by a decrease in revenue from non-utility operations (-$510k net of expenses).

Revenues from non-utility operations are revenues for activities with InnPower's affiliates. This amount varies year-to-year depending on the projects each year at the affiliate level. It also includes fully allocated cost charges in accordance with ARC.

Table 6-17 shows the variance between 2023 Bridge Year and 2022 Actual.

Table 6-17: Other Revenue 2023 Bridge Year to 2022 Actual

APH	USoA Description	Forecast Period / Planned			
		2023 Bridge vs 2022 Actual			
		2022	2023	Var $	Var %
4082	Retail Services Revenues	(14,768)	(13,902)	866	(6%)
4086	SSS Admin Charge (SSS)	(64,524)	(76,328)	(11,803)	18%
4210	Rent from Electric Property	(283,002)	(297,670)	(14,668)	5%
4225	Late Payment Charges	(113,621)	(139,200)	(25,579)	23%
4235	Miscellaneous Service Revenues	(632,823)	(222,713)	410,109	(65%)
4245	Deferred Revenue	(1,115,463)	(1,823,643)	(708,180)	63%
4355	Gain on Disposal of Property	61,137	0	(61,137)	(100%)
4375	Revenues from Non-Utility Operations	(925,764)	(2,144,607)	(1,218,842)	132%
4380	Expenses of Non-Utility Operations	893,437	1,554,162	660,725	74%
4385	Non-Utility Rental Income	(139,658)	(113,921)	25,737	(18%)
4390	Miscellaneous Non-Operating Income	(9,322)	(24,000)	(14,678)	157%
4405	Interest and Dividend Income	(238,311)	(86,580)	151,731	(64%)
	Total	(2,582,683)	(3,388,402)	(805,718)	31%

<u>Change from 2023 Bridge Year to 2022 Actual</u>

The Other Revenue variance reflects an increase of $806k. Most of this increase is due to an increase (+$708k in deferred revenue), a reduction in recoverable workorder revenue (+$481k), a $61k reduction on loss of disposal of property, a $79k decrease in carrying charges on regulatory assets offset by a decrease in revenue from non-utility operations (-$691k net of expenses).

Revenues from non-utility operations are revenues for activities with InnPower's affiliates. This amount varies year-to-year depending on the projects each year at the affiliate level. It also includes fully allocated cost charges in accordance with ARC.

Table 6-18 shows the variance between 2024 Test Year and 2023 Bridge Year.

Table 6-18: Other Revenue 2024 Test Year to 2023 Bridge Year

APH	USoA Description	Forecast Period / Planned			
		2024 Test vs 2023 Bridge			
		2023	2024	Var $	Var %
4082	Retail Services Revenues	(13,902)	(14,180)	(278)	2%
4086	SSS Admin Charge (SSS)	(76,328)	(79,906)	(3,578)	5%
4210	Rent from Electric Property	(297,670)	(297,670)	0	0%
4225	Late Payment Charges	(139,200)	(139,200)	0	0%
4235	Miscellaneous Service Revenues	(222,713)	(258,228)	(35,515)	16%
4245	Deferred Revenue	(1,823,643)	(2,253,932)	(430,289)	24%
4375	Revenues from Non-Utility Operations	(2,144,607)	(2,308,849)	(164,243)	8%
4380	Expenses of Non-Utility Operations	1,554,162	1,640,262	86,100	6%
4385	Non-Utility Rental Income	(113,921)	(115,200)	(1,279)	1%
4390	Miscellaneous Non-Operating Income	(24,000)	(24,000)	0	0%
4405	Interest and Dividend Income	(86,580)	(86,580)	0	0%
	Total	(3,388,402)	(3,937,483)	(549,082)	16%

<u>Change from 2024 Test Year to 2023 Bridge Year</u>

The Other Revenue variance reflects an increase of $549k. Most of this increase is due to an increase (+$430k) in deferred revenue and an increase in revenue from non-utility operations (+$116k net of expenses).

Revenues from non-utility operations are revenues for activities with InnPower's affiliates. This amount varies year-to-year depending on the projects each year at the affiliate level. It also includes fully allocated cost charges in accordance with ARC.

Table 6-19 shows the variance between 2024 Test Year and 2017 Actual.

Table 6-19: 2024 Test Year to 2017 Actual

APH	USoA Description	Forecast Period / Planned			
		2024 Test vs 2017 Actual			
		2017	2024	Var $	Var %
4082	Retail Services Revenues	(10,932)	(14,180)	(3,248)	30%
4084	Service Transaction Requests (STR)	(134)	0	134	(100%)
4086	SSS Admin Charge (SSS)	0	(79,906)	(79,906)	0%
4210	Rent from Electric Property	(166,019)	(297,670)	(131,651)	79%
4225	Late Payment Charges	(106,918)	(139,200)	(32,282)	30%
4235	Miscellaneous Service Revenues	(106,848)	(258,228)	(151,380)	142%
4245	Deferred Revenue	(419,069)	(2,253,932)	(1,834,864)	438%
4355	Gain on Disposal of Property	48,935	0	(48,935)	(100%)
4375	Revenues from Non-Utility Operations	(927,387)	(2,308,849)	(1,381,462)	149%
4380	Expenses of Non-Utility Operations	1,171,945	1,640,262	468,317	40%
4385	Non-Utility Rental Income	0	(115,200)	(115,200)	0%
4390	Miscellaneous Non-Operating Income	(99,702)	(24,000)	75,702	(76%)
4405	Interest and Dividend Income	(40,535)	(86,580)	(46,045)	114%
	Total	(656,664)	(3,937,483)	(3,280,819)	500%

<u>Change from 2024 Test Year to 2017 Actual</u>

The Other Revenue variance reflects an increase of $3.28 million. Most of this increase is due to an increase (+$1.83M) in deferred revenue, a higher revenue from non-utility operations and rental income (+$1.08M net of expenses) and an increase of $132k in pole rentals.

Revenues from non-utility operations are revenues for activities with InnPower's affiliates. This amount varies year-to-year depending on the projects each year at the affiliate level. It also includes fully allocated cost charges in accordance with ARC.

Rent from Electric Property (4210 - pole rentals) increased over the years with the addition of poles in InnPower's distribution area.

In 2017, InnPower grouped office space rental with miscellaneous non-operating income (4390). In 2020 InnPower moved it to non-utility rental income (4385) where it belongs.

4. OTHER REVENUE ACCOUNT BREAKDOWN

The following section provides a detailed breakdown for each account, outlining the components of each balance. The tables are also filed in Appendix 6-3-1 (A) Chapter 2 Appendices 2-H Other Operating Revenue.

Table 6-20: Account 4082 Retail Service Revenues

	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Bridge Year	2024 Test Year
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Retail Service Establish Service Agreement	$ -	$ -	$ -	-$ 102	$ -	-$ 215	$ -	$ -
Retail Service Distributor Consolidated Billing	-$ 10,932	-$ 11,568	-$ 14,909	-$ 15,242	-$ 16,757	-$ 14,552	-$ 13,902	-$ 14,180
Total	-$ 10,932	-$ 11,568	-$ 14,909	-$ 15,344	-$ 16,757	-$ 14,768	-$ 13,902	-$ 14,180

- Retail service revenues include retail services for establishing service agreements and consolidated billing for retail customers.
- Retail service revenues have been fairly consistent from the 2017 to 2022 period.

Table 6-21: Account 4084 Service Transaction Requests (STR)

	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Bridge Year	2024 Test Year
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
STRs	-$ 134	-$ 48	$ -	$ -	$ -	$ -	$ -	$ -
Total	-$ 134	-$ 48	$ -	$ -	$ -	$ -	$ -	$ -

- The amounts for account 4084 are not material.

Table 6-22: Account 4086 SSS Admin Charge

	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Bridge Year	2024 Test Year
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
SSS	$ -	$ -	$ -	$ -	$ -	-$ 64,524	-$ 76,328	-$ 79,906
Total	$ -	$ -	$ -	$ -	$ -	-$ 64,524	-$ 76,328	-$ 79,906

- SSS Admin Charges include amounts collected for the Standard Supply Charge.
- Please note that before 2023, InnPower recorded SSS Admin revenue in Account 4080. InnPower has included this revenue in the Account 4086 for the 2023 Bridge Year and 2024 Test Year. InnPower will record actuals in the 4086 account as of January 1, 2023.

Table 6-23: Account 4210 Rent from Electric Property

	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Bridge Year	2024 Test Year
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Rent from Electric Property	-$ 166,019	-$ 234,376	-$ 322,911	-$ 283,788	-$ 284,657	-$ 283,002	-$ 297,670	-$ 297,670
Total	-$ 166,019	-$ 234,376	-$ 322,911	-$ 283,788	-$ 284,657	-$ 283,002	-$ 297,670	-$ 297,670

- Rent from Electric includes rental from third party pole attachments.
- The rental revenue has increased due to an increase in pole attachments.
- In the 2017 rate application, InnPower applied for a customer pole attachment rate. As of August 2022, InnPower recorded the OEB province-wide generic pole attachment rate, with the difference recorded to the 1508 – Pole Attachment Loss variance account.

Table 6-24: Account 4225 Late Payment Charges

	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Bridge Year	2024 Test Year
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Residential Overdue Interest	-$ 72,012	-$ 76,788	-$ 72,258	-$ 80,578	-$ 71,663	-$ 73,888	-$ 79,200	-$ 79,200
General Service Overdue Interest	-$ 34,906	-$ 28,630	-$ 17,049	-$ 36,602	-$ 25,849	-$ 39,733	-$ 60,000	-$ 60,000
Total	-$ 106,918	-$ 105,419	-$ 89,306	-$ 117,181	-$ 97,512	-$ 113,621	-$ 139,200	-$ 139,200

- Late payment charges include residential and general service overdue interest.
- InnPower expects to collect 30% more late payment charges for residential and general service customers from 2017 to 2024 based on the increase in the number of customers.

Table 6-25: Account 4235 Miscellaneous Service Revenue

	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Bridge Year	2024 Test Year
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Recoverable Workorders	$ 36,250	-$ 6,115	-$ 20,748	-$ 11,001	-$ 45,150	-$ 523,782	-$ 87,733	-$ 93,248
Misc Service Reconnection	-$ 7,425	-$ 12,304	-$ 8,960	-$ 2,720	-$ 2,655	-$ 7,134	-$ 3,900	-$ 3,900
Misc Service Change of Occupancy	-$ 85,020	-$ 101,790	-$ 99,420	-$ 94,200	-$ 119,490	-$ 102,960	-$ 120,000	-$ 120,000
Misc Service NSF Charges	$ -	-$ 30	$ -	$ -	$ 3,835	$ 2,137	-$ 9,600	-$ 9,600
Misc Service Arrears Certif	-$ 2,713	-$ 1,627	-$ 4,582	-$ 7,372	$ -	$ 397	$ -	$ -
Misc Service Collection Charges	-$ 47,940	-$ 39,825	-$ 6,705	$ 15	$ -	$ -	$ -	$ -
MicroFIT Revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-$ 10,000
After Hours DIR	$ -	$ -	$ -	$ -	$ -	-$ 1,480	-$ 1,480	-$ 1,480
Vegetation Management	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-$ 20,000
Total	-$ 106,848	-$ 161,691	-$ 140,414	-$ 115,277	-$ 163,460	-$ 632,823	-$ 222,713	-$ 258,228

- Miscellaneous Service Revenue includes recoverable workorders, reconnection, change of occupancy, NSF charges, arrears certificates, collection charges and MicroFIT revenue.
- It is expected that 2022 was an abnormal year for recoverable work orders. InnPower expects the amount of revenue to decrease significantly in 2023 and 2024.
- Please note, up to December 31, 2022, InnPower has recorded MicroFIT revenue in 4080. The utility will begin recording transactions in 4235 beginning January 1, 2023. An amount of $10k has been included in the 2024 Test Year, which is comparable to historical amounts. InnPower confirms this amount has not been included in base revenue requirements.
- Please note, InnPower has budgeted for vegetation management in order to build revenues into rates and discontinue the 1508 vegetation management deferral account ordered by the Board in the 2017 rate application.

Table 6-26: Account 4245 Deferred Revenue

	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Bridge Year	2024 Test Year
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Contributions - Land Rights	$ -	$ -	-$ 12	-$ 24	-$ 24	-$ 24	-$ 24	-$ 24
Contributions - DS Equipment	-$ 8,376	-$ 9,021	-$ 24,921	-$ 124,172	-$ 154,766	-$ 156,446	-$ 230,678	-$ 286,871
Contributions - PTF	-$ 55,030	-$ 59,380	-$ 91,735	-$ 121,677	-$ 188,252	-$ 241,365	-$ 800,401	-$ 1,128,823
Contributions - OH Conductors	-$ 46,358	-$ 50,378	-$ 67,853	-$ 97,079	-$ 133,874	-$ 163,135	-$ 164,671	-$ 170,831
Contributions - UG Conduit	-$ 43,151	-$ 45,252	-$ 50,070	-$ 58,343	-$ 68,599	-$ 125,055	-$ 204,760	-$ 224,365
Contributions - UG Conductors	-$ 84,982	-$ 86,964	-$ 91,008	-$ 98,121	-$ 108,752	-$ 131,888	-$ 124,781	-$ 124,995
Contributions - Line TX	-$ 28,929	-$ 30,347	-$ 33,961	-$ 39,005	-$ 43,274	-$ 48,214	-$ 47,043	-$ 47,629
Contributions - Pdmnt TX	-$ 53,262	-$ 57,331	-$ 62,727	-$ 75,649	-$ 92,161	-$ 103,145	-$ 100,867	-$ 101,667
Contributions - OH Services	-$ 10,454	-$ 11,695	-$ 13,033	-$ 13,895	-$ 14,608	-$ 15,491	-$ 16,234	-$ 16,877
Contributions - UG Services	-$ 60,104	-$ 66,623	-$ 74,396	-$ 82,370	-$ 90,930	-$ 99,320	-$ 100,823	-$ 118,353
Contributions - Meters	-$ 3,565	-$ 4,611	-$ 6,053	-$ 7,147	-$ 7,822	-$ 8,756	-$ 8,700	-$ 8,836
Contributions - St. Light & Signal	-$ 17	-$ 17	-$ 17	-$ 17	-$ 17	-$ 17	-$ 17	-$ 17
Contributions - Bldg & Fixtures	-$ 3,208	-$ 3,074	-$ 3,074	-$ 3,083	-$ 3,074	-$ 3,074	-$ 3,074	-$ 3,074
Contributions - Transport Equip Auto	-$ 2,099	-$ 2,099	-$ 2,099	-$ 2,104	-$ 1,041	$ -	$ -	$ -
Contributions - SCADA	-$ 19,534	-$ 19,534	-$ 19,534	-$ 19,588	-$ 19,534	-$ 19,534	-$ 21,569	-$ 21,569
Total	-$ 419,069	-$ 446,327	-$ 540,494	-$ 742,273	-$ 926,727	-$ 1,115,463	-$ 1,823,643	-$ 2,253,932

- Deferred revenue are contributions from developers and customers that are amortized over time and taken into income annually.
- The large increases seen from 2021 forward is due to InnPower's significantly increasing capital program and growth, which is expected to continue.

Table 6-27: Account 4355 Gain on Disposal of Property

	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Bridge Year	2024 Test Year
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Gain on Disposal of Property	$ 48,935	$ 11,424	$ 59,813	$ 6,270	$ 344,711	$ 61,137	$ -	$ -
Total	$ 48,935	$ 11,424	$ 59,813	$ 6,270	$ 344,711	$ 61,137	$ -	$ -

- Gain on Disposal of Property includes both gains and losses generated from the disposal of PP&E
- Over the period of 2017 to 2022, the net amount from disposal of PP&E resulted in losses each year.
- InnPower disposed of a significant amount of conductor in 2021, which resulted in a loss of approximately $300k.
- InnPower does not budget for gains/loss on disposal of property, as it is difficult to accurately estimate the amount. As such, no amount for revenue or losses has been included for 2023 or 2024.

Table 6-28: Account 4375 Revenues from Non-Utility Operations

	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Bridge Year	2024 Test Year
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
OEB Programs (CDM, AFT)	-$ 262,821	-$ 773,482	$ 17,709	-$ 253,936	-$ 92,191	-$ 2,932	$ -	$ -
Revenue from Affiliates	-$ 664,566	-$ 779,124	-$ 1,217,059	-$ 1,297,155	-$ 1,449,409	-$ 899,221	-$ 2,115,807	-$ 2,280,049
Thermal / Gas	$ -	-$ 12,460	-$ 18,536	-$ 18,473	-$ 27,457	-$ 23,612	-$ 28,800	-$ 28,800
Total	-$ 927,387	-$ 1,565,066	-$ 1,217,885	-$ 1,569,564	-$ 1,569,057	-$ 925,764	-$ 2,144,607	-$ 2,308,849

- Revenues from Non-Utility Operations include income from OEB programs including Conservation and Demand Management (CDM) and AFT, revenue from InnServices and InnTerprises and thermal and gas.
- Detailed breakdown of revenues from InnServices and Expenses from InnTerprises are found in Exhibit 4
- Please note, InnPower has not budgeted for any OEB programs as CDM and AFT have been winding down.
- InnPower confirms that allocation of cost methods do not result in cross-subsidization between regulated and non-regulated lines of business and compliance with article 340 of APH.

Table 6-29: Account 4380 Expenses from Non-Utility Operations

	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Bridge Year	2024 Test Year
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
OEB Programs (CDM, AFT)	$ 557,043	$ 516,483	$ 239,776	$ 253,936	$ 92,191	$ 2,918	$ -	$ -
Revenue from Affiliates	$ 595,118	$ 652,168	$ 710,794	$ 907,441	$ 758,546	$ 754,991	$ 1,446,696	$ 1,532,478
Thermal / Gas	$ -	$ 36,958	$ 5,154	$ 5,126	$ 4,535	$ 1,456	$ 5,467	$ 5,784
Miscellaneous	$ 19,784	$ 21,384	$ 29,518	$ 100,119	$ 171,508	$ 134,071	$ 102,000	$ 102,000
Total	$ 1,171,945	$ 1,226,993	$ 985,242	$ 1,266,622	$ 1,026,780	$ 893,437	$ 1,554,162	$ 1,640,262

- Expenses from Non-Utility Operations include expenses from OEB programs including Conservation and Demand Management (CDM) and AFT, expenses from InnServices, thermal and gas, as well as expenses from InnTerprises.
- Detailed breakdown of Expenses from InnServices and Expenses from InnTerprises are found in Exhibit 4
- Please note, InnPower has not budgeted for any OEB programs as CDM and AFT has been winding down.
- InnPower confirms that allocation of cost methods do not result in cross-subsidization between regulated and non-regulated lines of business and compliance with article 340 of APH.

Table 6-30: Account 4385 Non-Utility Rental Income

	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Bridge Year	2024 Test Year
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Non-Utility Rental Income	$ -	$ -	$ -	-$ 106,843	-$ 112,612	-$ 139,658	-$ 113,921	-$ 115,200
Total	$ -	$ -	$ -	-$ 106,843	-$ 112,612	-$ 139,658	-$ 113,921	-$ 115,200

- Non-Utility Rental Income includes rental income from the Treasure Garden Daycare located within the InnPower Building, as well as office and cubicle space rental income from affiliate company employees and shared service employees. The 2024 Test Year reflects a full year of rental revenue.
- Please note, InnPower recorded non-utility rental income in Account 4390 Miscellaneous Non-Operating Income from the period of 2017 to 2019. After this period, it was recorded in Account 4385 Non-Utility Rental Income to clearly identify non-utility rental income.

Table 6-31: Account 4390 Miscellaneous Non-Operating Income

	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Bridge Year	2024 Test Year
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Miscellaneous Non-Operating Income	-$ 99,612	-$ 149,234	-$ 157,930	-$ 22,912	-$ 34,367	-$ 9,182	-$ 24,000	-$ 24,000
Miscellaneous Non-Operating Income - Billing Adjustments	-$ 90	$ 1,207	$ 195	$ 0	-$ 1,286	-$ 140	$ -	$ -
Total	-$ 99,702	-$ 148,027	-$ 157,735	-$ 22,912	-$ 35,654	-$ 9,322	-$ 24,000	-$ 24,000

- Miscellaneous Non-Operating Income includes items such as stale dated cheques and the sale of scrap materials.
- Please note, InnPower recorded non-utility rental income in Account 4390 Miscellaneous Non-Operating Income from the period of 2017 to 2019. After this period, it was recorded in Account 4385 Non-Utility Rental Income to clearly identify non-utility rental income.

Table 6-32: Account 4405 Interest and Dividend Income

	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Bridge Year	2024 Test Year
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Bank Deposit Interest	-$ 11,328	-$ 15,603	-$ 4,723	-$ 1,083	-$ 409	-$ 77,882	$ -	$ -
Miscellaneous Interest Revenue	-$ 35	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Reg Acct - Carrying Charges	-$ 28,344	-$ 590,224	-$ 808,671	-$ 83,865	-$ 38,126	-$ 151,512	-$ 72,180	-$ 72,180
Interest Income - Affiliate	$ -	$ -	-$ 3,178	-$ 8,256	-$ 1,756	$ -	$ -	$ -
Interest Income - Customers	-$ 828	-$ 378	-$ 1,099	-$ 3,440	-$ 13,960	-$ 8,917	-$ 14,400	-$ 14,400
Total	-$ 40,535	-$ 606,205	-$ 817,671	-$ 96,645	-$ 54,251	-$ 238,311	-$ 86,580	-$ 86,580

- The Interest and Dividend Income account includes bank deposit interest, miscellaneous interest revenue, regulatory account carrying charges, interest income from affiliates and customers.
- In 2022, InnPower had a positive cash balance, which lead to an increase in the bank deposit interest.
- In 2018 and 2019 InnPower recorded a significant amount of regulatory interest revenue. This is due to the high credit balance in Accounts 1580 WMS and 1588 Cost of Power. The balances were corrected as part of the 2020 OEB Group 1 DVA and the OEB's adjusting entries were recorded as of January 1, 2020.

5. NEW SPECIFIC SERVICE CHARGE

InnPower performs scheduled customer reconnections between the hours of 07:30 am to 4:00 pm. For residential and small commercial customers, InnPower offers one free disconnect/reconnect per calendar year during operations hours. Requests for reconnections received after 3:00 pm will have service restored the following business day. If same day reconnection is required, after hour reconnect charges shall apply.

InnPower utilizes the reconnection fee listed in the OEB approved tariff of rates and charges for non-payment of accounts; however, the charges for after hour reconnects are determined using labour and material costs specific to the work performed. These charges are capped at the reconnection fee for non-payment listed in the OEB approved tariff of rates, therefore, customers have not been charged more than a rate deemed reasonable by the OEB. The basis for a supplementary charge was to address increasing irrecoverable costs related to customer reconnects, which were being subsidized by the entire customer base.

In the current application, InnPower is requesting approval for an additional rate (to be included in the Tariff of Rates and Charges) related to after hours and customer initiated disconnects (greater than one per year). Additional information can be found in Exhibit 8-5-1.

The following outlines the revenue collected from the after hours DIR charge. InnPower began to collect the rate in 2022, with eight work orders completed at the capped amount of $185 for each, with total revenue of $1,480. It is expected that InnPower will have a similar number of work orders in 2023 and 2024.

1 **Table 6-33: After Hours DIR Revenue**

Particulars	2017 Approved	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Bridge Year	2024 Test Year
After Hours DIR	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,480	$ 1,480	$ 1,480
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,480	$ 1,480	$ 1,480

2

List of Appendices

Appendix 6-1-1 (A) 2024 OEB Revenue Requirement Workform

InnPower Corporation has filed the 2024 OEB Revenue Requirement Workform separately in Excel as Exhibit 6, Appendix 6-1-1 (A): 2024 OEB Revenue Requirement Workform.

Appendix 6-2-1 (A) 2017 Tax Return

200

Canada Revenue Agency / Agence du revenu du Canada

T2 Corporation Income Tax Return

EXEMPT FROM TAX

055 Do not use this area

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

All legislative references on this return are to the federal *Income Tax Act* and *Income Tax Regulations*. This return may contain changes that had not yet become law at the time of publication.

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

For more information see canada.ca/taxes or Guide T4012, *T2 Corporation – Income Tax Guide*.

Identification

Business number (BN) 001 89242 2817 RC0001

Corporation's name
002 InnPower Corporation

Address of head office
Has this address changed since the last time we were notified? . . . . 010 1 Yes [ ] 2 No [X]
If **yes**, complete lines 011 to 018.
011 7251 Yonge Street
012
City: 015 Innisfil
Province, territory, or state: 016 ON
Country (other than Canada): 017
Postal or ZIP code: 018 L9S 0J3

Mailing address (if different from head office address)
Has this address changed since the last time we were notified? . . . . 020 1 Yes [ ] 2 No [X]
If **yes**, complete lines 021 to 028.
021 c/o
022 7251 Yonge Street
023
City: 025 Innisfil
Province, territory, or state: 026 ON
Country (other than Canada): 027
Postal or ZIP code: 028 L9S 0J3

Location of books and records (if different from head office address)
Has this address changed since the last time we were notified? . . . . 030 1 Yes [ ] 2 No [X]
If **yes**, complete lines 031 to 038.
031 7251 Yonge Street
032
City: 035 Innisfil
Province, territory, or state: 036 ON
Country (other than Canada): 037
Postal or ZIP code: 038 L9S 0J3

040 **Type of corporation at the end of the tax year** (tick one)
- [X] 1 Canadian-controlled private corporation (CCPC)
- [ ] 2 Other private corporation
- [ ] 3 Public corporation
- [ ] 4 Corporation controlled by a public corporation
- [ ] 5 Other corporation (specify)

If the type of corporation changed during the tax year, provide the effective date of the change . . . . 043 Year Month Day

To which tax year does this return apply?
Tax year start (Year Month Day): 060 2017-01-01
Tax year-end (Year Month Day): 061 2017-12-31

Has there been an acquisition of control resulting in the application of subsection 249(4) since the tax year start on line 060? . . . . 063 1 Yes [ ] 2 No [X]
If **yes**, provide the date control was acquired . . . . 065 Year Month Day

Is the date on line 061 a deemed tax year-end according to subsection 249(3.1)? . . . . 066 1 Yes [ ] 2 No [X]

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

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

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

Is this the final tax year before amalgamation? . . . . 076 1 Yes [ ] 2 No [X]

Is this the final return up to dissolution? . . . . 078 1 Yes [ ] 2 No [X]

If an election was made under section 261, state the functional currency used 079

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

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

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

Do not use this area
095 096 898

Attachments

Financial statement information: Use GIFI schedules 100, 125, and 141.
Schedules – Answer the following questions. For each **yes** response, **attach** the schedule to the T2 return, unless otherwise instructed.

		Yes	Schedule
Is the corporation related to any other corporations?	150	X	9
Is the corporation an associated CCPC?	160	X	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	161		49
Does the corporation have any non-resident shareholders who own voting shares?	151		19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
If you answered **yes** to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
Is the corporation claiming a loss or deduction from a tax shelter?	166		T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	167		T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust (without reference to section 94)?	168		22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	169		25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the *Income Tax Regulations*?	170		29
Did the corporation have a total amount over CAN$1 million of reportable transactions with non-arm's length non-residents?	171		T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172		———
Does the corporation earn income from one or more Internet webpages or websites?	180		88
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
Has the corporation made any charitable donations; gifts of cultural or ecological property; or gifts of medicine?	202		2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203		3
Is the corporation claiming any type of losses?	204	X	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205		5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	206		6
i) Is the corporation a CCPC and reporting a) income or loss from property (other than dividends deductible on line 320 of the T2 return), b) income from a partnership, c) income from a foreign business, d) income from a personal services business, e) income referred to in clause 125(1)(a)(i)(C) or 125(1)(a)(i)(B), f) aggregate investment income as defined in subsection 129(4), or g) an amount assigned to it under subsection 125(3.2) or 125(8); or ii) Is the corporation a member of a partnership and assigning its specified partnership business limit to a designated member under subsection 125(8)?	207	X	7
Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
Does the corporation have any property that is eligible capital property?	210		10
Does the corporation have any resource-related deductions?	212		12
Is the corporation claiming deductible reserves (other than transitional reserves under section 34.2)?	213		13
Is the corporation claiming a patronage dividend deduction?	216		16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217		17
Is the corporation an investment corporation or a mutual fund corporation?	218		18
Is the corporation carrying on business in Canada as a non-resident corporation?	220		20
Is the corporation claiming any federal, provincial, or territorial foreign tax credits, or any federal logging tax credits?	221		21
Does the corporation have any Canadian manufacturing and processing profits?	227		27
Is the corporation claiming an investment tax credit?	231		31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232		T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over $10,000,000?	233	X	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over $10,000,000?	234	X	———
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
Is the corporation claiming a Part I tax credit?	242		42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
Is the corporation subject to Part II – Tobacco Manufacturers' surtax?	249		46
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250		39
Is the corporation claiming a Canadian film or video production tax credit refund?	253		T1131
Is the corporation claiming a film or video production services tax credit refund?	254		T1177
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	255		92

Attachments (continued)

		Yes	Schedule
Did the corporation have any foreign affiliates in the tax year?	271		T1134
Did the corporation own or hold specified foreign property where the total cost amount of all such property, at any time in the year, was more than CAN$100,000?	259		T1135
Did the corporation transfer or loan property to a non-resident trust?	260		T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261		T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262		T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263		T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264		T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	265		55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	266		T2002
Has the corporation revoked any previous election made under subsection 89(11)?	267		T2002
Did the corporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its general rate income pool (GRIP) change in the tax year?	268		53
Did the corporation (other than a CCPC or DIC) pay eligible dividends, or did its low rate income pool (LRIP) change in the tax year?	269		54

Additional information

		1 Yes	2 No
Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	X	
Is the corporation inactive?	280		X

What is the corporation's main revenue-generating business activity? 221122 Electric Power Distribution

Specify the principal products mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

284	Electricity distributor	285	100.000 %
286		287	%
288		289	%

		1 Yes	2 No
Did the corporation immigrate to Canada during the tax year?	291		X
Did the corporation emigrate from Canada during the tax year?	292		X
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293		

If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible 294 Year Month Day

		1 Yes	2 No
If the corporation's major business activity is construction, did you have any subcontractors during the tax year?	295		

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI	300		-1,317,808	A
Deduct:				
Charitable donations from Schedule 2	311			
Cultural gifts from Schedule 2	313			
Ecological gifts from Schedule 2	314			
Gifts of medicine made before March 22, 2017, from Schedule 2	315			
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320			
Part VI.1 tax deduction*	325			
Non-capital losses of previous tax years from Schedule 4	331			
Net capital losses of previous tax years from Schedule 4	332			
Restricted farm losses of previous tax years from Schedule 4	333			
Farm losses of previous tax years from Schedule 4	334			
Limited partnership losses of previous tax years from Schedule 4	335			
Taxable capital gains or taxable dividends allocated from a central credit union	340			
Prospector's and grubstaker's shares	350			
Subtotal			▶	B
Subtotal (amount A **minus** amount B) (if negative, enter "0")				C
Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355			D
Taxable income (amount C **plus** amount D)	360			
Income exempt under paragraph 149(1)(t)	370			
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 **minus** line 370)				Z
Taxable income for the year from a personal services business				Z.1

* This amount is equal to 3.5 times the Part VI.1 tax payable at line 724 on page 8.

Small business deduction

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

Income from active business carried on in Canada from Schedule 7 . . . . . **400** ______ A

Taxable income from line 360 on page 3, **minus** 100/28 (3.57143) of the amount on line 632* on page 7, **minus** 4 times the amount on line 636** on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax . . . . . **405** ______ B

Business limit (see notes 1 and 2 below) . . . . . **410** 500,000 C

Notes:

1. For CCPCs that are not associated, enter $ 500,000 on line 410. However, if the corporation's tax year is less than 51 weeks, prorate this amount by the number of days in the tax year **divided** by 365, and enter the result on line 410.
2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

Business limit reduction:

Amount C 500,000 x **415** *** 420,366 D / 11,250 = ... 18,682,933 E

Reduced business limit (amount C **minus** amount E) (if negative, enter "0") . . . . . **425** ______ F

Business limit the CCPC assigns under subsection 125(3.2) (from line 515 below) . . . . . ______ G

Amount F **minus** amount G . . . . . **427** ______ H

Small business deduction

Amount A, B, C, or H, whichever is the least ______ x (Number of days in the tax year before January 1, 2018 365 / Number of days in the tax year 365) x 17.5 % = ______ 1

Amount A, B, C, or H, whichever is the least ______ x (Number of days in the tax year after December 31, 2017, and before January 1, 2019 ______ / Number of days in the tax year 365) x 18 % = ______ 2

Total of amounts 1 and 2 (enter amount I at amount J on page 7) **430** ______ I

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

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

*** **Large corporations**

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

Specified corporate income and assignment under subsection 125(3.2)

Applicable to tax years that begin after March 21, 2016

Except that, if the tax year of your corporation started before **and** ends on or after March 22, 2016 and in the tax year of a CCPC, you can make an assignment of business limit to that other CCPC if its tax year started after March 21, 2016.

	J1 Name of corporation receiving the income and assigned amount	J Business number of the corporation receiving the assigned amount **490**	K Income paid under clause 125(1)(a)(i)(B) to the corporation identified in column J [3] **500**	L Business limit assigned to corporation identified in column J [4] **505**
1.				
			Total **510** ______	Total **515** ______

Notes:

3. This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts each of which is income from an active business of the corporation for the year from the provision of services or property to a private corporation (directly or indirectly, in any manner whatever) if
(A) at any time in the year, the corporation (or one of its shareholders) or a person who does not deal at arm's length with the corporation (or one of its shareholders) holds a direct or indirect interest in the private corporation, and
(B) it is not the case that all or substantially all of the corporation's income for the year from an active business is from the provision of services or property to
   (I) persons (other than the private corporation) with which the corporation deals at arm's length, or
   (II) partnerships with which the corporation deals at arm's length, other than a partnership in which a person that does not deal at arm's length with the corporation holds a direct or indirect interest.
4. The amount of the business limit you assign to a CCPC cannot be greater than the amount determined by the formula A – B, where A is the amount of income referred to in column K in respect of that CCPC and B is the portion of the amount described in A that is deductible by you in respect of the amount of income referred to in clauses 125(1)(a)(i)(A) or (B) for the year. The amount on line 515 cannot be greater than the amount on line 425.

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the tax year

Taxable income from page 3 (line 360 or amount Z, whichever applies)					A
Lesser of amounts 9B and 9H from Part 9 of Schedule 27			B		
Amount 13K from Part 13 of Schedule 27			C		
Personal services business income	432		D		
Amount used to calculate the credit union deduction (amount F from Schedule 17)			E		
Amount from line 400, 405, 410, or 427 on page 4, whichever is the least			F		
Aggregate investment income from line 440 on page 6*		11,000	G		
Subtotal (**add** amounts B to G)		11,000	▶	11,000	H
Amount A **minus** amount H (if negative, enter "0")					I
General tax reduction for Canadian-controlled private corporations – Amount I **multiplied** by 13 %					J

Enter amount J on line 638 on page 7.

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

General tax reduction

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

Taxable income from page 3 (line 360 or amount Z, whichever applies)					K
Lesser of amounts 9B and 9H from Part 9 of Schedule 27			L		
Amount 13K from Part 13 of Schedule 27			M		
Personal services business income	434		N		
Amount used to calculate the credit union deduction (amount F from Schedule 17)			O		
Subtotal (**add** amounts L to O)			▶		P
Amount K **minus** amount P (if negative, enter "0")					Q
General tax reduction – Amount Q **multiplied** by 13 %					R

Enter amount R on line 639 on page 7.

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the tax year

Aggregate investment income from Schedule 7 . . . . **440** 11,000 x 30 2/3 % =		3,373	A
Foreign non-business income tax credit from line 632 on page 7			B
Deduct: Foreign investment income from Schedule 7 . . . . **445** x 8 % =			C
Subtotal (amount B **minus** amount C) (if negative, enter "0")	▶		D
Amount A **minus** amount D (if negative, enter "0")		3,373	E
Taxable income from line 360 on page 3			F
Deduct: Amount from line 400, 405, 410, or 427 on page 4, whichever is the least			G
Foreign non-business income tax credit from line 632 on page 7 . . . . x 75 / 29 =			H
Foreign business income tax credit from line 636 on page 7 . . x 4 =			I
Subtotal (total of amounts G, H and I)	▶		J
Subtotal (amount F **minus** amount J) (if negative, enter "0")		K x 30 2/3 % =	L
Part I tax payable minus investment tax credit refund (line 700 **minus** line 780 from page 8)			M
Refundable portion of Part I tax – Amount E, L, or M, whichever is the least **450**			N

Refundable dividend tax on hand

Refundable dividend tax on hand at the end of the previous tax year **460**			
Deduct: Dividend refund for the previous tax year **465**			
Subtotal	▶		O
Add the total of:			
Refundable portion of Part I tax from line 450 above			P
Total Part IV tax payable from Schedule 3			Q
Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation **480**			
Subtotal	▶		R
Refundable dividend tax on hand at the end of the tax year – Amount O **plus** amount R **485**			

Dividend refund

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

Taxable dividends paid in the tax year from line 460 on page 3 of Schedule 3 . . . . . . x 38 1/3 % =		S
Refundable dividend tax on hand at the end of the tax year from line 485 above		T
Dividend refund – Amount S or T, whichever is less		U

Enter amount U on line 784 on page 8.

Part I tax

Base amount Part I tax – Taxable income from page 3 (line 360 or amount Z, whichever applies) **multiplied** by 38 % . . . . 550 ________ A

Additional tax on personal services business income (section 123.5)

Taxable income from a personal services business . . . . 555 ________ x 5 % = 560 ________ B

Recapture of investment tax credit from Schedule 31 . . . . 602 ________ C

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

Aggregate investment income from line 440 on page 6 . . . . 11,000 D

Taxable income from line 360 on page 3 . . . . ________ E

Deduct:
Amount from line 400, 405, 410, or 427 on page 4, whichever is the least . . . . ________ F

Net amount (amount E **minus** amount F) ________ ► ________ G

Refundable tax on CCPC's investment income – 10 2 / 3 % of whichever is less: amount D or amount G . . . . 604 ________ H

Subtotal (**add** amounts A, B, C, and H) ________ I

Deduct:

Small business deduction from line 430 on page 4			J
Federal tax abatement	608		
Manufacturing and processing profits deduction from Schedule 27	616		
Investment corporation deduction	620		
Taxed capital gains 624 ________			
Additional deduction – credit unions from Schedule 17	628		
Federal foreign non-business income tax credit from Schedule 21	632		
Federal foreign business income tax credit from Schedule 21	636		
General tax reduction for CCPCs from amount J on page 5	638		
General tax reduction from amount R on page 5	639		
Federal logging tax credit from Schedule 21	640		
Eligible Canadian bank deduction under section 125.21	641		
Federal qualifying environmental trust tax credit	648		
Investment tax credit from Schedule 31	652		
Subtotal		►	K

Part I tax payable – Amount I **minus** amount K . . . . ________ L
Enter amount L on line 700 on page 8.

Privacy statement

Personal information is collected under the *Income Tax Act* to administer tax, benefits, and related programs. It may also be used for any purpose related to the administration or enforcement of the Act such as audit, compliance and the payment of debts owed to the Crown. It may be shared or verified with other federal, provincial/territorial government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties or other actions. Under the *Privacy Act*, individuals have the right to access their personal information and request correction if there are errors or omissions. Refer to Info Source canada.ca/cra-info-source, personal information bank CRA PPU 047.

Summary of tax and credits

Federal tax

Part I tax payable from amount L on page 7	700	
Part II surtax payable from Schedule 46	708	
Part III.1 tax payable from Schedule 55	710	
Part IV tax payable from Schedule 3	712	
Part IV.1 tax payable from Schedule 43	716	
Part VI tax payable from Schedule 38	720	
Part VI.1 tax payable from Schedule 43	724	
Part XIII.1 tax payable from Schedule 92	727	
Part XIV tax payable from Schedule 20	728	
Total federal tax		

Add provincial or territorial tax:

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

Net provincial or territorial tax payable (except Quebec and Alberta)	760		
Total tax payable	770		A

Deduct other credits:

Investment tax credit refund from Schedule 31	780	
Dividend refund from amount U on page 6	784	
Federal capital gains refund from Schedule 18	788	
Federal qualifying environmental trust tax credit refund	792	
Canadian film or video production tax credit refund (Form T1131)	796	
Film or video production services tax credit refund (Form T1177)	797	
Tax withheld at source	800	
Total payments on which tax has been withheld	801	
Provincial and territorial capital gains refund from Schedule 18	808	
Provincial and territorial refundable tax credits from Schedule 5	812	
Tax instalments paid	840	
Total credits	890	► B

Refund code **894** 1 Overpayment

Balance (amount A **minus** amount B)

Direct deposit request

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

☐ Start ☐ Change information

910 Branch number

914 Institution number

918 Account number

If the result is positive, you have a **balance unpaid**. If the result is negative, you have an **overpayment**. Enter the amount on whichever line applies. Generally, we do not charge or refund a difference of $2 or less.

Balance unpaid . . . . . .

For information on how to make your payment, go to canada.ca/payments.

If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due? . . . **896** 1 Yes ☐ 2 No X

If this return was prepared by a tax preparer for a fee, provide their EFILE number . . . **920** A6698

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

Certification

I, **950** McAllister (Last name) **951** Glen (First name) **954** CFO (Position, office, or rank),

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

955 2018-06-28 — Date (yyyy/mm/dd)

Signature of the authorized signing officer of the corporation

956 (705) 431-6870 — Telephone number

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

958 Lisa McCaskie — Name of other authorized person

959 (705) 431-6870 — Telephone number

Language of correspondence – Langue de correspondance

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

990 1

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 100

Form identifier 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Corporation's name	Business number	Tax year end Year Month Day
InnPower Corporation	89242 2817 RC0001	2017-12-31

Balance sheet information

Account	Description	GIFI		Current year	Prior year
	Assets				
	Total current assets	1599	+	10,426,000	12,830,692
	Total tangible capital assets	2008	+	75,939,000	58,685,691
	Total accumulated amortization of tangible capital assets	2009	–	8,653,000	6,358,479
	Total intangible capital assets	2178	+		
	Total accumulated amortization of intangible capital assets	2179	–		
	Total long-term assets	2589	+	2,823,000	2,062,037
	* Assets held in trust	2590	+		
	Total assets (mandatory field)	2599	=	80,535,000	67,219,941
	Liabilities				
	Total current liabilities	3139	+	9,076,000	15,316,795
	Total long-term liabilities	3450	+	51,369,000	31,845,747
	* Subordinated debt	3460	+		
	* Amounts held in trust	3470	+		
	Total liabilities (mandatory field)	3499	=	60,445,000	47,162,542
	Shareholder equity				
	Total shareholder equity (mandatory field)	3620	+	20,090,000	20,055,370
	Total liabilities and shareholder equity	3640	=	80,535,000	67,217,912
	Retained earnings				
	Retained earnings/deficit – end (mandatory field)	3849	=	7,612,000	7,577,000

***** Generic item

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

Current Assets

SCHEDULE 100

Form identifier 1599

Account	Description	GIFI		Current year	Prior year
Cash and deposits					
	* Cash and deposits	1000		503,000	
	Cash and deposits		+	503,000	
Accounts receivable					
	* Accounts receivable	1060		4,701,000	10,931,065
	Taxes receivable	1066		219,000	1,055,336
	Accounts receivable		+	4,920,000	11,986,401
Inventories					
	* Inventories	1120		543,000	466,227
	Inventories		+	543,000	466,227
Other current assets					
	* Other current assets	1480		4,057,000	
	Prepaid expenses	1484		403,000	378,064
	Other current assets		+	4,460,000	378,064
	Total current assets	1599	=	10,426,000	12,830,692

***** Generic item

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

Tangible Capital Assets and Accumulated Amortization

SCHEDULE 100

Form identifier 2008/2009

Account	Description	GIFI		Tangible capital assets		Accumulated amortization	Prior year
Land							
	* Land	1600	+	1,049,593			2,065,089
	Land improvements	1601	+	394,000			394,446
	Accumulated amortization of land improvements	1602			–	53,000	40,542
	Total			1,443,593		53,000	
Buildings							
	* Buildings	1680	+	13,524,407			12,438,239
	*Accumulated amortization of buildings	1681			–	695,000	416,908
	Total			13,524,407		695,000	
Machinery, equipment, furniture and fixtures							
	* Machinery, equipment, furniture, and fixtures	1740	+	54,543,000			39,976,647
	*Accumulated amortization of machinery, equipment, furniture, and fixtures	1741			–	5,601,000	4,210,697
	Computer equipment/software	1774	+	783,000			2,559,666
	Accumulated amortization of computer equipment/software	1775			–	615,000	1,121,216
	Other machinery and equipment	1785	+	5,645,000			1,251,604
	Accumulated amortization of other machinery and equipment	1786			–	1,689,000	569,116
	Total			60,971,000		7,905,000	
	Total tangible capital assets	2008	=	75,939,000			58,685,691
	Total accumulated amortization of tangible capital assets	2009			=	8,653,000	6,358,479

***** Generic item

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

Long-term Assets

SCHEDULE 100

Form identifier 2589

Account	Description	GIFI		Current year	Prior year
	Other long-term assets				
	* Other long-term assets	2420		2,823,000	2,023,686
	Future (deferred) income taxes	2421			38,351
	Other long-term assets		+	2,823,000	2,062,037
	Total long-term assets	2589	=	2,823,000	2,062,037

***** Generic item

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

Current Liabilities

SCHEDULE 100

Form identifier 3139

Account	Description	GIFI		Current year	Prior year
	* Bank overdraft	2600	+		1,819,279
	Amounts payable and accrued liabilities				
	* Amounts payable and accrued liabilities	2620		7,556,000	9,306,660
	Amounts payable and accrued liabilities		+	7,556,000	9,306,660
	Short-term debt				
	* Short-term debt	2700		1,111,000	
	Short-term debt		+	1,111,000	
	* Current portion of long-term liability	2920	+		2,519,595
	Other current liabilities				
	* Other current liabilities	2960		409,000	
	Deposits received	2961			1,671,261
	Other current liabilities		+	409,000	1,671,261
	Total current liabilities	3139	=	9,076,000	15,316,795

***** Generic item

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

Long-term Liabilities

SCHEDULE 100

Form identifier 3450

Account	Description	GIFI		Current year	Prior year
	Long-term debt				
	* Long-term debt	3140		34,645,000	31,210,188
	Long-term debt		+	34,645,000	31,210,188
	* Future (deferred) income taxes	3240	+	229,000	
	Other long-term liabilities				
	* Other long-term liabilities	3320		16,495,000	635,559
	Other long-term liabilities		+	16,495,000	635,559
	Total long-term liabilities	3450	=	51,369,000	31,845,747

***** Generic item

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

Shareholder Equity

SCHEDULE 100

Form identifier 3620

Account	Description	GIFI		Current year	Prior year
	* Common shares	3500	+	10,852,000	10,852,444
	Contributed and other surplus				
	Contributed surplus	3541		1,600,000	1,600,000
	Contributed and other surplus		+	1,600,000	1,600,000
	* Accumulated other comprehensive income	3580	+	26,000	25,926
	* Retained earnings/deficit	3600	+	7,612,000	7,577,000
	Total shareholder equity	3620	=	20,090,000	20,055,370

***** Generic item

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

Retained Earnings/Deficit

SCHEDULE 100

Form identifier 3849

Account	Description	GIFI		Current year	Prior year
	* Retained earnings/deficit – start	3660	+	7,577,000	6,283,678
	* Net income/loss	3680	+	35,000	670,351
Dividends declared					
	* Dividends declared	3700			-625,000
	Dividends declared		–		-625,000
Other items affecting retained earnings					
	* Other items affecting retained earnings	3740			-2,029
	Other items affecting retained earnings		+		-2,029
	Retained earnings/deficit – end	3849	=	7,612,000	7,577,000

***** Generic item

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

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 125

Form identifier 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Corporation's name	Business number	Tax year end Year Month Day
InnPower Corporation	89242 2817 RC0001	2017-12-31

Income statement information

Description	GIFI	
Operating name	0001	
Description of the operation	0002	
Sequence number	0003	01

Account	Description	GIFI		Current year	Prior year
	Income statement information				
	Total sales of goods and services	8089	+	40,259,000	43,373,174
	Cost of sales	8518	–	31,698,000	35,805,532
	Gross profit/loss	8519	=	8,561,000	7,567,642
	Cost of sales	8518	+	31,698,000	35,805,532
	Total operating expenses	9367	+	9,831,000	7,705,873
	Total expenses (mandatory field)	9368	=	41,529,000	43,511,405
	Total revenue (mandatory field)	8299	+	40,931,000	44,335,444
	Total expenses (mandatory field)	9368	–	41,529,000	43,511,405
	Net non-farming income	9369	=	-598,000	824,039
	Farming income statement information				
	Total farm revenue (mandatory field)	9659	+		
	Total farm expenses (mandatory field)	9898	–		
	Net farm income	9899	=		
	Net income/loss before taxes and extraordinary items	9970	=	-598,000	824,039
	Total other comprehensive income	9998	=		32,926
	Extraordinary items and income (linked to Schedule 140)				
	Extraordinary item(s)	9975	–		
	Legal settlements	9976	–		
	Unrealized gains/losses	9980	+		
	Unusual items	9985	–	-833,000	-285,074
	Current income taxes	9990	–	-67,000	438,762
	Future (deferred) income tax provision	9995	–	267,000	
	Total – Other comprehensive income	9998	+		32,926
	Net income/loss after taxes and extraordinary items (mandatory field)	9999	=	35,000	703,277

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

Revenue

SCHEDULE 125

Form identifier 8299

Account	Description	GIFI		Current year	Prior year
	* Trade sales of goods and services	8000	+	40,259,000	43,373,174
	Total sales of goods and services	8089	=	40,259,000	43,373,174
	Investment revenue				
	* Investment revenue	8090		11,000	
	Interest from other Canadian sources	8094			248
	Investment revenue		+	11,000	248
	Realized gains/losses on disposal of assets				
	* Realized gains/losses on disposal of assets	8210		-53,000	-14,837
	Realized gains/losses on disposal of assets		+	-53,000	-14,837
	Other revenue				
	* Other revenue	8230		714,000	976,859
	Other revenue		+	714,000	976,859
	Total revenue	8299	=	40,931,000	44,335,444

***** Generic item

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

Cost of Sales

SCHEDULE 125

Form identifier 8518

Account	Description	GIFI		Current year	Prior year
	* Purchases/cost of materials	8320	+	31,698,000	35,805,532
	Cost of sales	8518	=	31,698,000	35,805,532

***** Generic item

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

Operating Expenses

SCHEDULE 125

Form identifier 9367

Account	Description	GIFI		Current year	Prior year
Advertising and promotion					
	Meals and entertainment	8523		20,099	
	Advertising and promotion		+	20,099	
	* Amortization of tangible assets	8670	+	2,418,000	2,348,783
Interest and bank charges					
	Interest on long-term debt	8714			1,245,557
	Interest and bank charges		+		1,245,557
Interest paid (financial institutions)					
	* Interest paid (financial institutions)	8740		1,299,000	
	Interest paid (financial institutions)		+	1,299,000	
Office expenses					
	* Office expenses	8810			5,848,208
	Office expenses		+		5,848,208
Other expenses					
	* Other expenses	9270			-1,736,675
	General and administrative expenses	9284		6,093,901	
	Other expenses		+	6,093,901	-1,736,675
	Total operating expenses	9367	=	9,831,000	7,705,873

***** Generic item

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

Canada Revenue Agency / Agence du revenu du Canada

Schedule 141

Notes Checklist

Corporation's name	Business number	Tax Year End Year Month Day
InnPower Corporation	89242 2817 RC0001	2017-12-31

- Parts 1, 2, and 3 of this schedule must be completed from the perspective of the person (referred to in these parts as the **accountant**) who prepared or reported on the financial statements. If the person preparing the tax return is not the accountant referred to above, they must still complete Parts 1, 2, 3, and 4, as applicable.
- For more information, see Guide RC4088, *General Index of Financial Information (GIFI)* and T4012, *T2 Corporation – Income Tax Guide.*
- Complete this schedule and include it with your T2 return along with the other GIFI schedules.

Part 1 – Information on the accountant who prepared or reported on the financial statements

Does the accountant have a professional designation? . . . **095** Yes [X] No [ ]

Is the accountant connected* with the corporation? . . . **097** Yes [ ] No [X]

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

* 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 with the financial statements

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

- Completed an auditor's report . . . 1 [X]
- Completed a review engagement report . . . 2 [ ]
- Conducted a compilation engagement . . . 3 [ ]

Part 3 – Reservations

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

Has the accountant expressed a reservation? . . . **099** Yes [ ] No [X]

Part 4 – Other information

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

- Prepared the tax return (financial statements prepared by client) . . . 1 [X]
- Prepared the tax return and the financial information contained therein (financial statements have not been prepared) . . . 2 [ ]

Were notes to the financial statements prepared? . . . **101** Yes [X] No [ ]

If **yes**, complete lines 104 to 107 below:

- Are subsequent events mentioned in the notes? . . . **104** Yes [ ] No [X]
- Is re-evaluation of asset information mentioned in the notes? . . . **105** Yes [ ] No [X]
- Is contingent liability information mentioned in the notes? . . . **106** Yes [ ] No [X]
- Is information regarding commitments mentioned in the notes? . . . **107** Yes [X] No [ ]
- Does the corporation have investments in joint venture(s) or partnership(s)? . . . **108** Yes [ ] No [X]

Part 4 – Other information (continued)

Impairment and fair value changes

In any of the following assets, was an amount recognized in net income or other comprehensive income (OCI) as a result of an impairment loss in the tax year, a reversal of an impairment loss recognized in a previous tax year, or a change in fair value during the tax year? . . . . . **200** Yes [ ] No [X]

If **yes**, enter the amount recognized:

		In net income Increase (decrease)		In OCI Increase (decrease)
Property, plant, and equipment	210		211	
Intangible assets	215		216	
Investment property	220			
Biological assets	225			
Financial instruments	230		231	
Other	235		236	

Financial instruments

Did the corporation derecognize any financial instrument(s) during the tax year (other than trade receivables)? . . . . . **250** Yes [ ] No [X]

Did the corporation apply hedge accounting during the tax year? . . . . . **255** Yes [ ] No [X]

Did the corporation discontinue hedge accounting during the tax year? . . . . . **260** Yes [ ] No [X]

Adjustments to opening equity

Was an amount included in the opening balance of retained earnings or equity, in order to correct an error, to recognize a change in accounting policy, or to adopt a new accounting standard in the current tax year? . . . . . **265** Yes [ ] No [X]

If **yes**, you have to maintain a separate reconciliation.

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Net Income (Loss) for Income Tax Purposes

Schedule 1

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2017-12-31

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes. For more information, see the T2 *Corporation – Income Tax Guide*.
- All legislative references are to the *Income Tax Act*.

Net income (loss) after taxes and extraordinary items from line 9999 of Schedule 125			35,000	A
Add:				
Provision for income taxes – current	101	68,000		
Provision for income taxes – deferred	102	267,000		
Amortization of tangible assets	104	2,418,000		
Loss on disposal of assets	111	53,000		
Non-deductible meals and entertainment expenses	121	10,050		
Reserves from financial statements – balance at the end of the year	126	156,696		
Subtotal of additions		2,972,746 ▶	2,972,746	

Other additions:

Miscellaneous other additions:

	1 Description 605	2 Amount 295
1	Inducement under 12(1)(x) ITA	979,572
2	Amortization expensed in distribution expenses	100,468
3	Customer Deposits - paragraph 20(1)(a)	409,000
4	Adjustment for 2016 EFB	45,000
5	2016 Tax in regulatory acct.	38,000
	Total of column 2	1,572,040

Total of column 2 ▶	296	1,572,040		
Subtotal of other additions	199	1,572,040 ▶	1,572,040	
Total additions	500	4,544,786 ▶	4,544,786	B
Amount A **plus** amount B			4,579,786	C
Deduct:				
Capital cost allowance from Schedule 8	403	3,677,555		
Reserves from financial statements – balance at the beginning of the year	414	139,779		
Subtotal of deductions		3,817,334 ▶	3,817,334	

Other deductions:

Miscellaneous other deductions:

	1 Description 705	2 Amount 395
1	13(7.4) electon re contributed capital	979,572
2	CDN GAAP deferred credits	55,041
3	Customer Deposits - paragraph 20(1)(m)	409,000
4	Amortization of deferred contribution	419,034
5	2017 tax movement in reg. account	209,000
6	Co-op credits applied against wages	8,613
	Total of column 2	2,080,260

Total of column 2 ▶ 396 2,080,260

Subtotal of other deductions	499	2,080,260 ▶	2,080,260
Total deductions	510	5,897,594 ▶	5,897,594 D
Net income (loss) for income tax purposes (amount C **minus** amount D)			-1,317,808 E

Enter amount E on line 300 of the T2 return.

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Inducement

This form is used to calculate inducements that a corporation must add to its income under paragraph 12(1)(x) of the ITA. If an amount reduces the capital cost of a property, this amount will be indicated in Part "Tax credits whose amount should reduce the capital cost of property."

If you want to transfer an amount to Schedule 1 and include it in the corporation's income for tax purposes, select the corresponding check box in column A. You can also select the option **Select this check box to add all the amounts to income calculated in Schedule 1** to transfer all the amounts to Schedule 1. In either case, the column A check box will be selected for that amount and it will therefore be updated to Schedule 1.

Tax credits whose amount should be added to income

Select this check box to add all the amounts to income calculated in Schedule 1. . . . . ☐

Other amounts

A		
X	Contributed capital for fixed assets	979,572
	Total	979,572

Tax credits whose amount should reduce the capital cost of property

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Schedule 4

Corporation Loss Continuity and Application

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2017-12-31

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

Part 1 – Non-capital losses

Determination of current-year non-capital loss

Net income (loss) for income tax purposes			-1,317,808	A
Deduct: (increase a loss)				
Net capital losses deducted in the year (enter as a positive amount)		a		
Taxable dividends deductible under section 112 or subsections 113(1) or 138(6)		b		
Amount of Part VI.1 tax deductible under paragraph 110(1)(k)		c		
Amount deductible as prospector's and grubstaker's shares – Paragraph 110(1)(d.2)		d		
Subtotal (total of amounts a to d)		▶		B
Subtotal (amount A **minus** amount B; if positive, enter "0")			-1,317,808	C
Deduct: (increase a loss)				
Section 110.5 or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions				D
Subtotal (amount C **minus** amount D)			-1,317,808	E
Add: (decrease a loss)				
Current-year farm loss (the lesser of: the net loss from farming or fishing included in income and the non-capital loss before deducting the farm loss)				F
Current-year non-capital loss (amount E **plus** amount F; if positive, enter "0")			-1,317,808	G

If amount G is negative, enter it on line 110 as a positive.

Continuity of non-capital losses and request for a carryback

Non-capital loss at the end of the previous tax year			e		
Deduct: Non-capital loss expired (note 1)	100		f		
Non-capital losses at the beginning of the tax year (amount e **minus** amount f)	102		▶		H
Add:					
Non-capital losses transferred on an amalgamation or on the wind-up of a subsidiary (note 2) corporation	105		g		
Current-year non-capital loss (from amount G)	110	1,317,808	h		
Subtotal (amount g **plus** amount h)		1,317,808	▶	1,317,808	I
Subtotal (amount H **plus** amount I)				1,317,808	J

Note 1: A non-capital loss expires as follows:

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

An allowable business investment loss becomes a net capital loss after **10** tax years if it arose in a tax year ending after March 22, 2004.

Note 2: Subsidiary is defined in subsection 88(1) as a taxable Canadian corporation of which 90% or more of each class of issued shares are owned by its parent corporation and the remaining shares are owned by persons that deal at arm's length with the parent corporation.

Part 1 – Non-capital losses (continued)

Deduct:

Other adjustments (includes adjustments for an acquisition of control)	150		i		
Section 80 – Adjustments for forgiven amounts	140		j		
Subsection 111(10) – Adjustments for fuel tax rebate			j.1		
Non-capital losses of previous tax years applied in the current tax year Enter amount k on line 331 of the T2 Return.	130		k		
Current and previous year non-capital losses applied against current-year taxable dividends subject to Part IV tax (note 3)	135		l		
Subtotal (total of amounts i to l)			▶		K
Non-capital losses before any request for a carryback (amount J **minus** amount K)				1,317,808	L

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

First previous tax year to reduce taxable income	901		m		
Second previous tax year to reduce taxable income	902	793,053	n		
Third previous tax year to reduce taxable income	903		o		
First previous tax year to reduce taxable dividends subject to Part IV tax	911		p		
Second previous tax year to reduce taxable dividends subject to Part IV tax	912		q		
Third previous tax year to reduce taxable dividends subject to Part IV tax	913		r		
Total of requests to carry back non-capital losses to previous tax years (total of amounts m to r)		793,053	▶	793,053	M
Closing balance of non-capital losses to be carried forward to future tax years (amount L **minus** amount M)			180	524,755	N

Note 3: Amount l is the total of lines 330 and 335 from Schedule 3, *Dividends Received, Taxable Dividends Paid, and Part IV Tax Calculation*.

Part 2 – Capital losses

Continuity of capital losses and request for a carryback

Capital losses at the end of the previous tax year	200		a		
Capital losses transferred on an amalgamation or on the wind-up of a subsidiary corporation	205		b		
Subtotal (amount a **plus** amount b)			▶		A
Deduct:					
Other adjustments (includes adjustments for an acquisition of control)	250		c		
Section 80 – Adjustments for forgiven amounts	240		d		
Subtotal (amount c **plus** amount d)			▶		B
Subtotal (amount A **minus** amount B)					C
Add: Current-year capital loss (from the calculation on Schedule 6, *Summary of Dispositions of Capital Property*)			210		D
Unused non-capital losses that expired in the tax year (note 4)			e		
Allowable business investment losses (ABILs) that expired as non-capital losses at the end of the previous tax year (note 5)			f		
Enter amount e or f, whichever is less	215		g		
ABILs expired as non-capital losses: line 215 **multiplied** by 2.000000			220		E
Subtotal (total of amounts C to E)					F

Note

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

Note 4: If the loss was incurred in a tax year ending after March 22, 2004, determine the amount of the loss from the 11th previous tax year and enter the part of that loss that was not used in previous years and the current year on line e.

Note 5: If the ABILs were incurred in a tax year ending after March 22, 2004, enter the amount of the ABILs from the 11th previous tax year. Enter the full amount on line f.

Part 2 – Capital losses (continued)

Deduct: Capital losses from previous tax years applied against the current-year net capital gain (note 6) . . . . **225** ____ G

Capital losses before any request for a carryback (amount F **minus** amount G) ____ H

Deduct – **Request to carry back capital loss to** (note 7):

	Capital gain (100%)		Amount carried back (100%)	
First previous tax year		**951**		h
Second previous tax year		**952**		i
Third previous tax year		**953**		j

Subtotal (total of amounts h to j) ____ ▶ ____ I

Closing balance of capital losses to be carried forward to future tax years (amount H **minus** amount I) **280** ____ J

Note 6: To get the net capital losses required to reduce the taxable capital gain included in the net income (loss) for the current-year tax, enter the amount from line 225 **divided** by 2 at line 332 of the T2 return.

Note 7: On line 225, 951, 952, or 953, whichever applies, enter the actual amount of the loss. When the loss is applied, divide this amount by 2. The result represents the 50% inclusion rate.

Part 3 – Farm losses

Continuity of farm losses and request for a carryback

Farm losses at the end of the previous tax year . . . . ____ a

Deduct: Farm loss expired (note 8) . . . . **300** ____ b

Farm losses at the beginning of the tax year (amount a **minus** amount b) . . . . **302** ____ ▶ ____ A

Add:

Farm losses transferred on an amalgamation or on the wind–up of a subsidiary corporation . . . **305** ____ c

Current-year farm loss (amount F in Part 1) . . . . **310** ____ d

Subtotal (amount c **plus** amount d) ____ ▶ ____ B

Subtotal (amount A **plus** amount B) ____ C

Deduct:

Other adjustments (includes adjustments for an acquisition of control) . . . . **350** ____ e

Section 80 – Adjustments for forgiven amounts . . . . **340** ____ f

Farm losses of previous tax years applied in the current tax year . . . . **330** ____ g
Enter amount g on line 334 of the T2 Return.

Current and previous year farm losses applied against
current-year taxable dividends subject to Part IV tax (note 9) . . . . **335** ____ h

Subtotal (total of amounts e to h) ____ ▶ ____ D

Farm losses before any request for a carryback (amount C **minus** amount D) ____ E

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

First previous tax year to reduce taxable income . . . . **921** ____ i

Second previous tax year to reduce taxable income . . . . **922** ____ j

Third previous tax year to reduce taxable income . . . . **923** ____ k

First previous tax year to reduce taxable dividends subject to Part IV tax . . . . **931** ____ l

Second previous tax year to reduce taxable dividends subject to Part IV tax . . . . **932** ____ m

Third previous tax year to reduce taxable dividends subject to Part IV tax . . . . **933** ____ n

Subtotal (total of amounts i to n) ____ ▶ ____ F

Closing balance of farm losses to be carried forward to future tax years (amount E **minus** amount F) **380** ____ G

Note 8: A farm loss expires as follows:

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

Note 9: Amount h is the total of lines 340 and 345 from Schedule 3.

Part 4 – Restricted farm losses

Current-year restricted farm loss

Total losses for the year from farming business				485	A
Minus the deductible farm loss:					
(amount A above – $2,500) **divided** by 2 =		a			
Amount a or $ 15,000 (note 10), whichever is less			b		
		2,500	c		
Subtotal (amount b **plus** amount c)		2,500		2,500	B
Current-year restricted farm loss (amount A **minus** amount B)					C

Continuity of restricted farm losses and request for a carryback

Restricted farm losses at the end of the previous tax year			d		
Deduct: Restricted farm loss expired (note 11)	400		e		
Restricted farm losses at the beginning of the tax year (amount d **minus** amount e)	402				D
Add:					
Restricted farm losses transferred on an amalgamation or on the wind-up of a subsidiary corporation	405		f		
Current-year restricted farm loss (from amount C)	410		g		
Enter amount g on line 233 of Schedule 1, *Net Income (Loss) for Income Tax Purposes*.					
Subtotal (amount f **plus** amount g)					E
Subtotal (amount D **plus** amount E)					F
Deduct:					
Restricted farm losses from previous tax years applied against current farming income	430		h		
Enter amount h on line 333 of the T2 return.					
Section 80 – Adjustments for forgiven amounts	440		i		
Other adjustments	450		j		
Subtotal (total of amounts h to j)					G
Restricted farm losses before any request for a carryback (amount F **minus** amount G)					H
Deduct – Request to carry back restricted farm loss to:					
First previous tax year to reduce farming income	941		k		
Second previous tax year to reduce farming income	942		l		
Third previous tax year to reduce farming income	943		m		
Subtotal (total of amounts k to m)					I
Closing balance of restricted farm losses to be carried forward to future tax years (amount H **minus** amount I)				480	J

Note

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

Note 10: For tax years that end before March 21, 2013, use $6,250 instead of $15,000.

Note 11: A restricted farm loss expires as follows:
- after **10** tax years if it arose in a tax year ending before 2006; and
- after **20** tax years if it arose in a tax year ending after 2005.

Part 5 – Listed personal property losses

Continuity of listed personal property loss and request for a carryback

Listed personal property losses at the end of the previous tax year			a		
Deduct: Listed personal property loss expired after 7 tax years	500		b		
Listed personal property losses at the beginning of the tax year (amount a **minus** amount b)	502		▶		A
Add: Current-year listed personal property loss (from Schedule 6)				510	B
Subtotal (amount A **plus** amount B)					C
Deduct:					
Listed personal property losses from previous tax years applied against listed personal property gains	530		c		
Enter amount c on line 655 of Schedule 6.					
Other adjustments	550		d		
Subtotal (amount c **plus** amount d)			▶		D
Listed personal property losses remaining before any request for a carryback (amount C **minus** amount D)					E
Deduct – Request to carry back listed personal property loss to:					
First previous tax year to reduce listed personal property gains	961		e		
Second previous tax year to reduce listed personal property gains	962		f		
Third previous tax year to reduce listed personal property gains	963		g		
Subtotal (total of amounts e to g)			▶		F
Closing balance of listed personal property losses to be carried forward to future tax years (amount E **minus** amount F)				580	G

Part 7 – Limited partnership losses

Current-year limited partnership losses

	1	2	3	4	5	6	7
	Partnership account number	Tax year ending yyyy/mm/dd	Corporation's share of limited partnership loss	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, farming losses, and resource expenses	Column 4 **minus** column 5 (if negative, enter "0")	Current-year limited partnership losses (column 3 **minus** column 6)
	600	602	604	606	608		620
1.							

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

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

	1	2	3	4	5	6	7
	Partnership account number	Tax year ending yyyy/mm/dd	Limited partnership losses at the end of the previous tax year and amounts transferred on an amalgamation or on the wind-up of a subsidiary	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, business or property losses, and resource expenses	Column 4 **minus** column 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
1.							

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

	1	2	3	4	5	6
	Partnership account number	Limited partnership losses at the end of the previous tax year	Limited partnership losses transferred in the year on an amalgamation or on the wind-up of a subsidiary	Current-year limited partnership losses (from line 620)	Limited partnership losses applied in the current year (must be equal to or less than line 650)	Current year limited partnership losses closing balance to be carried forward to future years (column 2 **plus** column 3 **plus** column 4 **minus** column 5)
	660	662	664	670	675	680
1.						

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

Note

If you need more space, you can attach more schedules.

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

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

In the case of the wind-up of a subsidiary, if the election is made, the non-capital loss, restricted farm loss, farm loss, or limited partnership loss of the subsidiary—that otherwise would become the loss of the parent corporation for a particular tax year starting after the wind–up began—will be considered as the loss of the parent corporation for its immediately preceding tax year and not for the particular year.

Note

This election is only applicable for wind-ups under subsection 88(1) that are reported on Schedule 24, *First-Time Filer after Incorporation, Amalgamation, or Winding-up of a Subsidiary into a Parent*.

Non-Capital Loss Continuity Workchart

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

Non-capital losses – losses that can be carried forward over 20 years

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce Taxable income	Applied to reduce Part IV tax	Balance at end of year
Current	N/A	1,317,808		793,053	N/A		524,755
1st preceding taxation year 2016-12-31		N/A		N/A			
2nd preceding taxation year 2015-12-31		N/A		N/A			
3rd preceding taxation year 2014-12-31		N/A		N/A			
4th preceding taxation year 2013-12-31		N/A		N/A			
5th preceding taxation year 2012-12-31		N/A		N/A			
6th preceding taxation year 2011-12-31		N/A		N/A			
7th preceding taxation year 2010-12-31		N/A		N/A			
8th preceding taxation year 2009-12-31		N/A		N/A			
9th preceding taxation year 2008-12-31		N/A		N/A			
10th preceding taxation year 2007-12-31		N/A		N/A			
11th preceding taxation year 2006-12-31		N/A		N/A			
12th preceding taxation year 2005-12-31		N/A		N/A			
13th preceding taxation year 2004-12-31		N/A		N/A			
14th preceding taxation year 2003-12-31		N/A		N/A			
15th preceding taxation year 2002-12-31		N/A		N/A			
16th preceding taxation year 2001-12-31		N/A		N/A			
17th preceding taxation year		N/A		N/A			
18th preceding taxation year		N/A		N/A			
19th preceding taxation year		N/A		N/A			
20th preceding taxation year		N/A		N/A			*
Total		1,317,808		793,053			524,755

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

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Schedule 7

Aggregate Investment Income and Active Business Income

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2017-12-31

- Use this schedule if you are a Canadian-controlled private corporation (CCPC) to calculate:
  - your aggregate investment income and foreign investment income, as defined in subsection 129(4), to determine the refundable portion of Part I tax;
  - your **specified partnership income**, if you are a member or **designated member** of one or more partnerships as defined under subsection 125(7); and
  - your income from an active business carried on in Canada eligible for the small business deduction including any **specified corporate income** as defined in subsection 125(7).
- Use this schedule if another CCPC is making an assignment of business limit under subsection 125(3.2) to you.
- Use this schedule if you are a member of a partnership to assign **specified partnership business limit** to a **designated member** under subsection 125(8).
  Note: If you are a corporation that is not a CCPC, **only** complete Table 1 (columns A1, B1, C1, G1, H1 and J1) and Table 3 to make this assignment.
- All legislative references are to the *Income Tax Act*.
- For more information, see **Small Business Deduction** and **Refundable Portion of Part I Tax** in Guide T4012, *T2 Corporation – Income Tax Guide*.
- All notes with regards to this form can be found at the bottom of the form.

Part 1 – Aggregate investment income

Aggregate investment income is all **world** source income.

Description	Line	Amount	Line	Amount		Amount	
Eligible portion of taxable capital gains for the year					002		
Eligible portion of allowable capital losses for the year (including allowable business investment losses)			012				
Net capital losses of previous years claimed on line 332 on the T2 return			022				
Subtotal (line 012 **plus** line 022)					►		A
Line 002 **minus** amount A (if negative, enter "0")							B
Total income from property (include income from a specified investment business carried on in Canada other than income from a source outside Canada)			032	11,000			
Exempt income	042						
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for the year	052						
Taxable dividends deductible (total of column F on Schedule 3 **minus** related expenses)	062						
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)	072						
Subtotal (**add** lines 042, 052, 062 and 072)			►		C		
Subtotal (line 032 **minus** amount C)				11,000	►	11,000	D
Amount B **plus** amount D						11,000	E
Total losses from property (include losses from a specified investment business carried on in Canada other than a loss from a source outside Canada)					082		
Amount E **minus** line 082 (if negative, enter "0") (enter on line 440 of the T2 return)					092	11,000	

Part 2A – Canadian investment income calculation

Eligible portion of taxable capital gains for the year before taking into account the capital gains reserve (federal) of Schedule 13		1.1		
Reserve's eligible portion (addition/deduction)		1.2		
Taxable capital gains under section 34.2 (line 275 on Schedule 73)		1.3		
Eligible portion of taxable capital gains for the year after taking into account the capital gains reserve from Schedule 13 and the taxable capital gains under section 34.2 (**add** amounts 1.1, 1.2, and 1.3)		►		1a
Eligible portion of allowable capital losses for the year (including allowable business investment losses)		2.1		
Net capital losses of previous years claimed on line 332 on the T2 return		2.2		
Allowable capital losses under section 34.2 (line 285 of Schedule 73)		2.3		
Add amounts 2.1, 2.2 and 2.3		►		2a
Amount 1a **minus** amount 2a (if negative, enter "0")				3a
Taxable dividends		4.1		
Rental property income (under regulation 1100(11))		4.2		
Other property income	11,000	4.3		
Property income under section 34.2 (line 280 of Schedule 73)		4.4		
Total property income from **Canadian** sources **(add** amounts 4.1, 4.2, 4.3 and 4.4)	11,000	►	11,000	4a
Exempt income		5.1		
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for the year		5.2		
Taxable dividends deductible (total of column F on Schedule 3 **minus** related expenses)		5.3		
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)		5.4		
Add amounts 5.1, 5.2, 5.3 and 5.4		►		5a
Amount 4a **minus** amount 5a			11,000	6a
Amount 3a **plus** amount 6a			11,000	7a
Rental property losses (under regulation 1100(11))		8.1		
Dividend losses		8.2		
Other property losses		8.3		
Property losses under section 34.2 (line 280 of Schedule 73)		8.4		
Total property losses from **Canadian** sources **(add** amounts 8.1, 8.2, 8.3 and 8.4)		►		8a
Amount 7a **minus** amount 8a (if negative, enter "0")			11,000	9a

Part 2 – Foreign investment income

Foreign investment income is all income from sources **outside Canada**.

Eligible portion of taxable capital gains for the year before taking into account the capital gains reserve (federal) of Schedule 13		a1		
Reserve's eligible portion (addition/deduction)		a2		
Taxable capital gains under section 34.2 (line 275 of Schedule 73)*		a3		
Eligible portion of taxable capital gains for the year after taking into account the capital gains reserve (federal) of Schedule 13 and taxable capital gains under section 34.2 (**add** amounts a1, a2, and a3)		►	001	
Allowable capital losses for the year		b1		
Allowable capital losses under section 34.2 (line 285 of Schedule 73)*		b2		
Eligible portion of allowable capital losses for the year (including allowable business investment losses) (**Add** amounts b1 and b2)		►	009	
Subtotal (line 001 **minus** line 009) (if negative, enter "0")				F
Taxable dividends		c1		
Rental property income (under regulation 1100(11))		c2		
Other property income		c3		
Property income under section 34.2 (line 280 of Schedule 73)*		c4		
Total income from property from a source **outside Canada** (net of related expenses) (**add** amounts c1, c2, c3 and c4)		►	019	
Exempt income	029			
Taxable dividends deductible (total of column F on Schedule 3 **minus** related expenses)	049			
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)	059			
Subtotal (**add** lines 029, 049, and 059)		►		G
Subtotal (line 019 **minus** amount G)		►		H
Amount F **plus** amount H				I
Rental property losses (under regulation 1100(11))		d1		
Dividend losses		d2		
Other property losses		d3		
Property losses under section 34.2 (line 280 of Schedule 73)*		d4		
Total losses from property from a source **outside Canada** (**add** amounts d1, d2, d3 and d4)		►	069	
Amount I **minus** line 069 (if negative, enter "0") (enter on line 445 of the T2 return)			079	

* When an amount is entered on these lines, the amounts calculated for the taxable capital gains or allowable capital losses on lines 1.3 and 2.3 as well as property income or losses on lines 4.4 and 8.4 in Part 2A, “Canadian investment income calculation” are automatically updated. For more details, press F1 to consult the Help.

Net taxable dividends	Canadian	Foreign	Total
Taxable dividends deducted per schedule 3			
Less: Expenses related to such dividends			
Total expenses			
Net taxable dividends			

Part 3 – Specified partnership income

Table 1 – Specified partnership income

A				A1	1A
Is the corporation a designated member of the partnership?				Partnership name 200	Partnership's account number
Yes		No			

B1	C1	D1	1D	2D	E1	F1
Total income (loss) of partnership from an active business 300	Corporation's share of amount in column B1 310	Income of the corporation from providing (directly or indirectly) services or property to the partnership note 1 311	Adjustments under section 34.2 note 2	Expenses the corporation incurred to earn partnership income	Adjustments (column 1D **minus** column 2D) 315	Corporation's income (loss) in respect of the partnership note 3 (**add** columns C1, D1 and E1) 320

Total **350** ______________

G1	H1	I1	J1	K1	L1	M1
Number of days in the partnership's fiscal period 325	Prorated business limit notes 3 and 4 (column C1 ÷ column B1) × [$ 500 000 × (column G1 ÷ 365)] (if column C1 is negative, enter "0") 330	Specified partnership business limit **assigned to you** (from H2 in Table 2) notes 1, 6 and 7 335	Specified partnership business limit **assigned by you** from F3 in Table 3) notes 1, 6 and 8 336	Specified partnership business limit amount (column H1 **plus** column I1 **minus** column J1)	Column F1 **minus** column K1 (if negative, enter "0")	Lesser of columns F1 and K1 (if column F1 is negative, enter "0") notes 5 340

Total **385** ______________ **360** ______________

Corporation's losses for the year from an active business carried on in Canada (other than as a member of a partnership) – enter as a positive amount . . . . **370** ______________

Specified partnership loss of the corporation for the year – enter as a positive amount (total of all negative amounts in column F1) . . . . **380** ______________

Subtotal (line 370 **plus** line 380) ______________ J

Amount at line 385 or amount J, whichever is less . . . . **390** ______________

Specified partnership income (line 360 **plus** line 390) . . . . **400** ______________
(enter at amount N in Part 4)

Part 3 – Specified partnership income (continued)

Tables 2 and 3 are used to make an assignment of **specified partnership business limit** under subsection 125(8). A person that is a member of a partnership can make an assignment of **specified partnership business limit** under subsection 125(8) to a **designated member** for any tax year that **starts after** March 21, 2016. Also, that person can make an assignment for its tax year that **starts before** March 22, 2016 and **ends after** March 21, 2016 if the tax year of the **designated member starts after** March 21, 2016.

If you are a designated member and **receiving** specified partnership business limit from a person that is a member of the partnership, complete Table 2.

If you are a member of the partnership and **assigning** specified partnership business limit to a designated member, complete Table 3.

Table 2 – A member is assigning to you specified partnership business limit under subsection 125(8)

A2	2A	B2
Partnership name 405	Partnership's account number	Name of the member 406

C2	D2	E2	F2	G2	H2
Business number of the member (if applicable) 410	Social insurance number of the member (if applicable) 411	Trust account number of the member (if applicable) 412	Tax year start of the member (yyyymmdd) 415	Tax year-end of the member (yyyymmdd) 416	Specified partnership business limit assigned to you by the member note 9 420

Table 3 – You are assigning to a designated member (CCPC) specified partnership business limit under subsection 125(8)

A3	3A	B3
Partnership name 425	Partnership's account number	Name of the designated member 426

C3	D3	E3	F3
Business number of the designated member 430	Tax year start of the designated member 435	Tax year-end of the designated member (yyyymmdd) 436	Specified partnership business limit assigned by you to the designated member note 10 440

Part 4 – Partnership income not eligible for the small business deduction

Corporation's income from active businesses carried on in Canada as a member or designated member of a partnership (after deducting related expenses) – from line 350 in Part 3 (if the net amount is negative, enter "0" on line 450)		K
Specified partnership loss (from line 380 in Part 3)		L
Subtotal (amount K **plus** amount L)		M
Specified partnership income (from line 400 in Part 3)		N
Partnership income not eligible for the small business deduction (amount M **minus** amount N) (enter at amount V in Part 5)	450	

Part 5 – Income from active business carried on in Canada

Net income for income tax purposes from line 300 of the T2 return		-1,317,808	O		
Allowable business investment loss from line 406 of Schedule 1			P		
Subtotal (amount O **plus** amount P)		-1,317,808	▶	-1,317,808	Q
Foreign business income after deducting related expenses note 11	500				
Taxable capital gains from line 113 of Schedule 1			R		
Net property income (line 032 note 12 **minus** the total of lines 042, 052 and 082 in Part 1) note 11		11,000	S		
Personal services business income after deducting related expenses note 11			e1		
Other income after deducting related expenses note 11			e2		
Subtotal (amount e1 **plus** amount e2) note 11	▶ 520				
Subtotal (**add** line 500, amount R, amount S and line 520)		11,000	▶	11,000	T
Net amount (amount Q **minus** amount T)				-1,328,808	U
Partnership income not eligible for the small business deduction (line 450 in Part 4)			V		
Partnership income allocated to your corporation under subsection 96(1.1)	530				
Income referred to in clause 125(1)(a)(i)(C)	540				
Income referred to in clause 125(1)(a)(i)(B) (from line 615 in Part 6)			W		
Subtotal (**add** amount V, line 530, line 540 and amount W)			▶		X
Specified corporate income (from line 625 in Part 6)					Y
Income from active business carried on in Canada (amount U **minus** amount X **plus** amount Y) (enter amount Z on line 400 of the T2 return - if negative, enter "0")					Z

Part 6 – Specified corporate income and assignment under subsection 125(3.2)

Applies to tax years that begin after March 21, 2016.

A CCPC can also make an assignment of business limit to you for its tax year that **starts before** March 22, 2016, and **ends after** March 21, 2016, if your tax **year starts** after March 21, 2016.

	1AA Name of the corporation	AA Business number of the corporation 600	BB Income described under clause 125(1)(a)(i)(B) received from the corporation identified in column AA note 13 610	CC Business limit assigned **from** the corporation identified in column AA note 14 620
1				
			Total 615	Total 625

Notes

Note 1 Applies to tax years that **begin after** March 21, 2016. For tax years beginning before March 22, 2016 leave blank.

Note 2 Do **not** include expenses that were deducted in computing the income of the corporation in column D1.

In general, amounts included under subsections 34.2(2) and 34.2(3) or claimed under subsection 34.2(4) are deemed to have the **same character** and be in the **same proportions** as the partnership income they relate to. Amounts claimed under subsection 34.2(11) and included under subsection 34.2(12) are deemed to have the **same character** and be in the **same proportions** as the qualifying transitional income. For example, if a corporation receives $100,000 of partnership income for the partnership's fiscal period ending in its tax year, and that income is made up of $40,000 of active business income, $30,000 of income from property, and $30,000 as a taxable capital gain, the corporation's adjusted stub period accrual (ASPA) in respect of the partnership would be 40% active business income, 30% property income, and 30% taxable capital gains. Add or deduct only the portion of the following amounts that are characterized as **active business income** in accordance with subsection 34.2(5):

Add:

– the ASPA under subsection 34.2(2) (column 4 of Schedule 73)

– the income inclusion for a new corporate member of a partnership under subsection 34.2(3) (column 6 of Schedule 73)

– the previous-year transitional reserve under subsection 34.2(12) (column 12 of Schedule 73)

Deduct:

– the previous-year ASPA under subsection 34.2(4) (column 5 of Schedule 73)

– the previous-year income inclusion for a new corporate member of a partnership under subsection 34.2(4) (column 7 of Schedule 73)

– the current-year transitional reserve under subsection 34.2(11) (column 11 of Schedule 73)

Note 3 When a partnership carries on more than one business, one of which generates income and another of which realizes a loss, the loss is **not** netted against the partnership's income when calculating the prorated business limit (column H1). Enter on line 380 the total of all losses from column F1.

Note 4 For tax years that begin after March 21, 2016, **if** you are a **designated member** of the partnership, enter "0".

Note 5 For tax years that begin after March 21, 2016, you must enter "0" **if** the partnership provides services or property to either:

(A) a private corporation (directly or indirectly in any manner whatever) in the year, if:

- you (or one of your shareholders) or a person that does **not** deal at arm's length with you (or one of your shareholders) holds a direct or indirect interest in the private corporation, and
- it is not the case that all or substantially all of the partnership's income for the year from an active business is from providing services or property to
  – persons (other than the private corporation) that deal at arm's length with the partnership and each person that holds a direct or indirect interest in the partnership, or
  – partnerships with which the partnership deals at arm's length, other than a partnership in which a person that does **not** deal at arm's length with you holds a direct or indirect interest, or

(B) a particular partnership (directly or indirectly in any manner whatever) in the year, if:

- you (or one of your shareholders) do **not** deal at arm's length with the particular partnership or a person that holds a direct or indirect interest in the particular partnership, and
- it is not the case that all or substantially all of the partnership's income for the year from an active business is from providing services or property to
  – persons that deal at arm's length with the partnership and each person that holds a direct or indirect interest in the partnership, or
  – partnerships (other than the particular partnership) with which the partnership deals at arm's length, other than a partnership in which a person that does **not** deal at arm's length with you holds a direct or indirect interest.

Note 6 A person that is a member of a partnership can make an assignment of **specified partnership business limit** under subsection 125(8) to a **designated member** for any tax year that **starts after** March 21, 2016. Also, that person can make an assignment for its tax year that **starts before** March 22, 2016 and **ends after** March 21, 2016 if the tax year of the **designated member starts after** March 21, 2016.

Note 7 If you are a **designated member** receiving an assignment of **specified partnership business limit,** complete Table 2 to determine the amounts to enter in Table 1 column I1.

Note 8 If you are a corporation that is a **member** of the partnership and you are assigning **specified partnership business limit**, complete Table 3 to determine the amounts to enter in Table 1 column J1.

Note 9 Add the amounts in column H2 that are for the same partnership and enter it in Table 1 column I1, in the row of the applicable partnership.

Note 10 Add the amounts in column F3 that are for the same partnership and enter it in Table 1 column J1, in the row of the applicable partnership. This amount **cannot** be higher than the amount of prorated business limit you would otherwise be entitled to in Table 1 column H1 for that partnership.

Note 11 If negative, enter amount in brackets, and **add** instead of subtracting.

Note 12 Net of related expenses.

Note 13 This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts, each of which is your income from an active business for the year from providing services or property to a private corporation (directly or indirectly, in any manner whatever) if

(A) at any time in the year, you (or one of your shareholders) or a person that does **not** deal at arm's length with you (or one of your shareholders) holds a direct or indirect interest in the private corporation, and

(B) it is not the case that all or substantially all of your income for the year from an active business is from providing services or property to

(I) persons (other than the private corporation) with which you deal at arm's length, or

(II) partnerships with which you deal at arm's length, other than a partnership in which a person that does **not** deal at arm's length with you holds a direct or indirect interest.

Do **not** include income from an associated corporation if the conditions described in subsection 125(10) are met.

Note 14 The amount of business limit that a CCPC can assign to you cannot be greater than the amount in column BB that is from providing services or property **directly** to that CCPC. If there is an amount included in column BB that is deductible by that CCPC in respect of the amount of its income referred to in clause 125(1)(a)(i)(A) or (B) for its tax year, you need to deduct it from column BB for the purpose of determining the amount that can be assigned to you.

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Schedule 8

Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2017-12-31

For more information, see the section called "Capital Cost Allowance" in the *T2 Corporation Income Tax Guide*.

Is the corporation electing under *Regulation* 1101(5q)? **101** Yes ☐ No ☒

	1 Class number * **200**	Description	2 Undepreciated capital cost at the beginning of the year (amount from column 12 of last year's schedule 8) **201**	3 Cost of acquisitions during the year (new property must be available for use) (see note 1 below) **203**	4 Adjustments and transfers (see note 2 below) **205**	5 Proceeds of dispositions during the year (amount not to exceed the capital cost) **207**	6 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5) (see note3 below) **211**	7 Reduced undepreciated capital cost (column 2 **plus** column 3 **plus** or **minus** column 4 **minus** column 5 **minus** column 6)	8 CCA rate % (see note 4 below) **212**	9 Recapture of capital cost allowance (line 107 of Schedule 1) (see note 5 below) **213**	10 Terminal loss (line 404 of Schedule 1) **215**	11 Capital cost allowance (for declining balance method, column 7 **multiplied** by column 8, or a lower amount) (line 403 of Schedule 1) (see note 6 below) **217**	12 Undepreciated capital cost at the end of the year (column 6 **plus** column 7 **minus** column 11) **220**
1.	1	Buildings	23,026,423			0		23,026,423	4	0	0	921,057	22,105,366
2.	8	Equipment and tools	2,125,192	62,846		0	31,423	2,156,615	20	0	0	431,323	1,756,715
3.	10	Rolling stock and vehicles	188,637			0		188,637	30	0	0	56,591	132,046
4.	45	Computer equipment and softwa	282			0		282	45	0	0	127	155
5.	47	Electrical energy distribution	23,527,694	3,188,515		631	1,593,942	25,121,636	8	0	0	2,009,731	24,705,847
6.	50	Computer equipment	327,914	229,391		0	114,696	442,609	55	0	0	243,435	313,870
7.	47	WIP	643,873		429,000	0		1,072,873	8	0	0		1,072,873
8.	8	WIP	64,219			0		64,219	20	0	0		64,219
9.	14.1		218,430			0		218,430	5	0	0	15,291	203,139
		Totals	50,122,664	3,480,752	429,000	631	1,740,061	52,291,724				3,677,555	50,354,230

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

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

Note 2. Enter in column 4, "Adjustments and transfers", amounts that increase or reduce the undepreciated capital cost.
Items that **increase** the undepreciated capital cost include amounts transferred under section 85, or transferred on amalgamation or winding-up of a subsidiary. Items that **reduce** the undepreciated capital cost include government assistance received or entitled to be received in the year, or a reduction of capital cost after the application of section 80. See the *T2 Corporation Income Tax Guide* for other examples of adjustments and transfers to include in column 4.

Note 3. The net cost of acquisitions is the cost of acquisitions (column 3) **plus** or **minus** certain adjustments and transfers from column 4. For information on the exceptions to the 50% rule, as well as how to calculate the amounts to enter in column 6 in those cases, see Interpretation Bulletin IT-285, *Capital Cost Allowance - General Comments*.

Note 4. Enter a rate only if you are using the declining balance method. For any other method (for example the straight-line method, where calculations are always based on the cost of acquisitions), enter N/A. Then enter the amount you are claiming in column 11.

Note 5. For every entry in column 9, "Recapture of capital cost allowance", there must be a corresponding entry in column 5, "Proceeds of dispositions during the year". The recapture and terminal loss rules do not apply to passenger vehicles in Class 10.1.

Note 6. If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See the *T2 Corporation Income Tax Guide* for more information.

T2 SCH 8 (17)

Canadä

Fixed Assets Reconciliation

Reconciliation of change in fixed assets per financial statements to amounts used per tax return.

Tax return

Additions for tax purposes – Schedule 8 regular classes		3,480,752		
Additions for tax purposes – Schedule 8 leasehold improvements	+			
Operating leases capitalized for book purposes	+			
Capital gain deferred	+			
Recapture deferred	+			
Deductible expenses capitalized for book purposes – Schedule 1	+			
Other (specify):				
Subsection 13(7.4) election	+	979,572		
Additional WIP	+	429,000		
Total additions per books	=	4,889,324	►	4,889,324
Proceeds up to original cost – Schedule 8 regular classes		631		
Proceeds up to original cost – Schedule 8 leasehold improvements	+			
Proceeds in excess of original cost – capital gain	+			
Recapture deferred – as above	+			
Capital gain deferred – as above	+			
Pre V-day appreciation	+			
Other (specify):				
Amortization expense in distribution - from S(1)	+	100,000		
WIP transferred out	+	13,700		
Total proceeds per books	=	114,331	► –	114,331
Depreciation and amortization per accounts – Schedule 1			–	2,418,000
Loss on disposal of fixed assets per accounts			–	53,000
Gain on disposal of fixed assets per accounts			+	
Net change per tax return			=	2,303,993

Financial statements

Fixed assets (excluding land) per financial statements

Closing net book value		64,880,000
Opening net book value	–	62,576,007
Net change per financial statements	=	2,303,993

If the amounts from the tax return and the financial statements differ, explain why below.

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SCHEDULE 9

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
InnPower Corporation	89242 2817 RC0001	2017-12-31

- Complete this schedule if the corporation is related to or associated with at least one other corporation.
- For more information, see the *T2 Corporation Income Tax Guide*.

	Name 100	Country of residence (other than Canada) 200	Business number (see note 1) 300	Relationship code (see note 2) 400	Number of common shares you own 500	% of common shares you own 550	Number of preferred shares you own 600	% of preferred shares you own 650	Book value of capital stock 700
1.	InnServices Utilities Inc.		81689 7326 RC0001	3					
2.	Town of Innisfil		NR	1					
3.	Innterprises Inc.		86556 4595 RC0001	3					

Note 1: Enter "NR" if the corporation is not registered or does not have a business number.
Note 2: Enter the code number of the relationship that applies from the following order: 1 - Parent 2 - Subsidiary 3 - Associated 4 - Related but not associated

T2 SCH 9 (11)

Canada

Continuity of financial statement reserves (not deductible)

Financial statement reserves (not deductible)

	Description	Balance at the beginning of the year	Transfer on an amalgamation or the wind-up of a subsidiary	Add	Deduct	Balance at the end of the year
1	Post retirement benefits	139,779		156,696	139,779	156,696
2						
	Reserves from Part 2 of Schedule 13					
	Totals	139,779		156,696	139,779	156,696

The total opening balance plus the total transfers should be entered on line 414 of Schedule 1 as a deduction.
The total closing balance should be entered on line 126 of Schedule 1 as an addition.

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Schedule 23

Agreement Among Associated Canadian-Controlled Private Corporations to Allocate the Business Limit

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

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

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

Column 3: Enter the association code from the list below that applies to each corporation:

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

Column 4: Enter the business limit for the year of each corporation in the associated group.

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

Column 6: Enter the business limit allocated to each corporation by multiplying the amount in column 4 by the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A.

Ensure that the total at line A does not exceed $500,000.

Allocating the business limit

Date filed (do not use this area) . . . . **025** Year Month Day

Enter the calendar year to which the agreement applies . . . . **050** Year 2017

Is this an amended agreement for the above calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? . . . . **075** 1 Yes ☐ 2 No ☒

	1 Names of associated corporations 100	2 Business number of associated corporations 200	3 Association code 300	4 Business limit for the year before the allocation $	5 Percentage of the business limit % 350	6 Business limit allocated* $ 400	
1	InnPower Corporation	89242 2817 RC0001	1	500,000	100.0000	500,000	
2	InnServices Utilities Inc.	81689 7326 RC0001	1	500,000			
3	Town of Innisfil	NR	1	500,000			
4	Innterprises Inc.	86556 4595 RC0001	1	500,000			
				Total	100.0000	500,000	A

Business limit reduction under subsection 125(5.1) of the Act

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the factors used in this calculation is the "large corporation amount" at line 415 of the T2 return. The amount at line 415 is determined using the formula 0.225% x (D - $10,000,000). Details of this formula and variable D are in subsection 125(5.1) of the Act.

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

Special rules for business limit

Special rules apply under subsection 125(5) if a CCPC has more than one tax year ending in the same calendar year and it is associated in more than one of those tax years with another CCPC that has a tax year ending in that calendar year. The business limit for the second or later tax year will be equal to the business limit determined for the first tax year ending in the calendar year or the business limit determined for the second or later tax year ending in the same calendar year, whichever is less.

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Schedule 33

Taxable Capital Employed in Canada – Large Corporations

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2017-12-31

- Use this schedule in determining if the total taxable capital employed in Canada of the corporation (other than a financial institution or an insurance corporation) and its related corporations is greater than $10,000,000.
- If the total taxable capital employed in Canada of the corporation and its related corporations is greater than $10,000,000, file a completed Schedule 33 with your T2 *Corporation Income Tax Return* no later than six months from the end of the tax year.
- Unless otherwise noted, all legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 181(1) defines the terms **financial institution**, **long-term debt**, and **reserves**.
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part I.3 for its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or for a partnership in which it has an interest.
- If the corporation was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 4, **Taxable capital employed in Canada**.

Part 1 – Capital

Add the following year-end amounts:

	Line	Amount		
Reserves that have not been deducted in calculating income for the year under Part I	101	156,696		
Capital stock (or members' contributions if incorporated without share capital)	103	10,852,000		
Retained earnings	104	7,612,000		
Contributed surplus	105	1,600,000		
Any other surpluses	106			
Deferred unrealized foreign exchange gains	107			
All loans and advances to the corporation	108	265,000		
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109			
Any dividends declared but not paid by the corporation before the end of the year	110			
All other indebtedness of the corporation (other than any indebtedness for a lease) that has been outstanding for more than 365 days before the end of the year	111			
The total of all amounts, each of which is the amount, if any, in respect of a partnership in which the corporation held a membership interest at the end of the year, either directly or indirectly through another partnership (see note below)	112			
Subtotal (**add** lines 101 to 112)		20,485,696	20,485,696	A

Note:

Line 112 is determined by the formula (A – B) x C/D (as per paragraph 181.2(3)(g)) where:

A is the total of all amounts that would be determined for lines 101, 107, 108, 109, and 111 in respect of the partnership for its last fiscal period that ends at or before the end of the year if
- a) those lines applied to partnerships in the same manner that they apply to corporations, and
- b) those amounts were computed without reference to amounts owing by the partnership
  - (i) to any corporation that held a membership interest in the partnership either directly or indirectly through another partnership, or
  - (ii) to any partnership in which a corporation described in subparagraph (i) held a membership interest either directly or indirectly through another partnership.

B is the partnership's deferred unrealized foreign exchange losses at the end of the period,

C is the share of the partnership's income or loss for the period to which the corporation is entitled either directly or indirectly through another partnership, and

D is the partnership's income or loss for the period.

Part 1 – Capital (continued)

Subtotal A (from page 1)			20,485,696	A
Deduct the following amounts:				
Deferred tax debit balance at the end of the year	121			
Any deficit deducted in calculating its shareholders' equity (including, for this purpose, the amount of any provision for the redemption of preferred shares) at the end of the year	122			
To the extent that the amount may reasonably be regarded as being included in any of lines 101 to 112 above for the year, any amount deducted under subsection 135(1) in calculating income under Part I for the year.	123			
Deferred unrealized foreign exchange losses at the end of the year	124			
Subtotal (**add** lines 121 to 124)		▶		B
Capital for the year (amount A **minus** amount B) (if negative, enter “0”)	190		20,485,696	

Part 2 – Investment allowance

Add the carrying value at the end of the year of the following assets of the corporation:

A share of another corporation	401	
A loan or advance to another corporation (other than a financial institution)	402	2,856,000
A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution)	403	
Long-term debt of a financial institution	404	
A dividend payable on a share of the capital stock of another corporation	405	
A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim or similar obligation of, a partnership each member of which was, throughout the year, another corporation (other than a financial institution) that was not exempt from tax under this Part (otherwise than because of paragraph 181.1(3)(d)), or another partnership described in paragraph 181.2(4)(d.1)	406	
An interest in a partnership (see note 2 below)	407	
Investment allowance for the year (add lines 401 to 407)	490	2,856,000

Notes:

1. Lines 401 to 405 should not include the carrying value of a share of the capital stock of, a dividend payable by, or indebtedness of a corporation that is exempt from tax under Part I.3 (other than a non-resident corporation that at no time in the year carried on business in Canada through a permanent establishment).
2. Where the corporation has an interest in a partnership held either directly or indirectly through another partnership, refer to subsection 181.2(5) for additional rules regarding the carrying value of an interest in a partnership.
3. Where a trust is used as a conduit for loaning money from a corporation to another related corporation (other than a financial institution), the loan will be considered to have been made directly from the lending corporation to the borrowing corporation. Refer to subsection 181.2(6) for special rules that may apply.

Part 3 – Taxable capital

Capital for the year (line 190)		20,485,696	C
Deduct: Investment allowance for the year (line 490)		2,856,000	D
Taxable capital for the year (amount C **minus** amount D) (if negative, enter "0")	500	17,629,696	

Part 4 – Taxable capital employed in Canada

To be completed by a corporation that was resident in Canada at any time in the year

Taxable capital for the year (line 500)	17,629,696	x	Taxable income earned in Canada **610**	1,000	=	**Taxable capital employed in Canada** **690** 17,629,696
			Taxable income	1,000		

Notes:
1. Regulation 8601 gives details on calculating the amount of taxable income earned in Canada.
2. Where a corporation's taxable income for a tax year is "0," it shall, for the purposes of the above calculation, be deemed to have a taxable income for that year of $1,000.
3. In the case of an airline corporation, Regulation 8601 should be considered when completing the above calculation.

To be completed by a corporation that was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada

Total of all amounts each of which is the carrying value at the end of the year of an asset of the corporation used in the year or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada . . . . **701** ______

Deduct the following amounts:

Corporation's indebtedness at the end of the year [other than indebtedness described in any of paragraphs 181.2(3)(c) to (f)] that may reasonably be regarded as relating to a business it carried on during the year through a permanent establishment in Canada . . . . **711** ______

Total of all amounts each of which is the carrying value at the end of year of an asset described in subsection 181.2(4) of the corporation that it used in the year, or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada . . . . **712** ______

Total of all amounts each of which is the carrying value at the end of year of an asset of the corporation that is a ship or aircraft the corporation operated in international traffic, or personal or movable property used or held by the corporation in carrying on any business during the year through a permanent establishment in Canada (see note below) . . . . **713** ______

Total deductions (**add** lines 711, 712, and 713) ______ ► ______ E

Taxable capital employed in Canada (line 701 **minus** amount E) (if negative, enter "0") . . . . **790** ______

Note: Complete line 713 only if the country in which the corporation is resident did not impose a capital tax for the year on similar assets, or a tax for the year on the income from the operation of a ship or aircraft in international traffic, of any corporation resident in Canada during the year.

Part 5 – Calculation for purposes of the small business deduction

This part is applicable to corporations that are not associated in the current year, but were associated in the prior year.

Taxable capital employed in Canada (amount from line 690)		F
Deduct:	10,000,000	G
Excess (amount F **minus** amount G) (if negative, enter "0")		H
Calculation for purposes of the small business deduction (amount H x 0.225%)		I

Enter this amount at line 415 of the T2 return.

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 50

SHAREHOLDER INFORMATION

Name of corporation	Business Number	Tax year end Year Month Day
InnPower Corporation	89242 2817 RC0001	2017-12-31

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

	Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust)	Business Number (If a corporation is not registered, enter "NR")	Social insurance number	Trust number	Percentage common shares	Percentage preferred shares
		Provide only one number per shareholder				
	100	200	300	350	400	500
1	Town of Innisfil	12194 7188 RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

Canada Revenue Agency | Agence du revenu du Canada

SCHEDULE 546

CORPORATIONS INFORMATION ACT ANNUAL RETURN FOR ONTARIO CORPORATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2017-12-31

- This schedule should be completed by a corporation that is incorporated, continued, or amalgamated in Ontario and subject to the Ontario *Business Corporations Act* (BCA) or Ontario *Corporations Act* (CA), except for registered charities under the federal *Income Tax Act*. This completed schedule serves as a *Corporations Information Act* Annual Return under the *Ontario Corporations Information Act*.
- Complete parts 1 to 4. Complete parts 5 to 7 only to report change(s) in the information recorded on the Ontario Ministry of Government Services (MGS) public record.
- This schedule must set out the required information for the corporation as of the date of delivery of this schedule.
- A completed Ontario *Corporations Information Act* Annual Return must be delivered within six months after the end of the corporation's tax year-end. The MGS considers this return to be delivered on the date that it is filed with the Canada Revenue Agency (CRA) together with the corporation's income tax return.
- It is the corporation's responsibility to ensure that the information shown on the MGS public record is accurate and up-to-date. To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. Visit **www.ServiceOntario.ca** for more information.
- This schedule contains non-tax information collected under the authority of the Ontario *Corporations Information Act*. This information will be sent to the MGS for the purposes of recording the information on the public record maintained by the MGS.

Part 1 – Identification

100 Corporation's name (exactly as shown on the MGS public record)

InnPower Corporation

Jurisdiction incorporated, continued, or amalgamated, whichever is the most recent	**110** Date of incorporation or amalgamation, whichever is the most recent (Year Month Day)	**120** Ontario Corporation No.
Ontario	2000-10-05	7284940

Part 2 – Head or registered office address (P.O. box not acceptable as stand-alone address)

200 Care of (if applicable)

210 Street number	**220** Street name/Rural route/Lot and Concession number	**230** Suite number
2073	COMMERCE PARK DR	

240 Additional address information if applicable (line 220 must be completed first)

250 Municipality (e.g., city, town)	**260** Province/state	**270** Country	**280** Postal/zip code
INNISFIL	ON	CA	L9S 4A2

Part 3 – Change identifier

Have there been any changes in any of the information most recently filed for the public record maintained by the MGS for the corporation with respect to names, addresses for service, and the date elected/appointed and, if applicable, the date the election/appointment ceased of the directors and five most senior officers, or with respect to the corporation's mailing address or language of preference? To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. For more information, visit **www.ServiceOntario.ca**.

300 1 If there have been no changes, enter **1** in this box and then go to "Part 4 – Certification."
If there are changes, enter **2** in this box and complete the applicable parts on the next page, and then go to "Part 4 – Certification."

Part 4 – Certification

I certify that all information given in this *Corporations Information Act* Annual Return is true, correct, and complete.

450 McAllister (Last name) **451** Glen (First name)

454 __________, (Middle name(s))

460 2 Please enter one of the following numbers in this box for the above-named person: **1** for director, **2** for officer, or **3** for other individual having knowledge of the affairs of the corporation. If you are a director and officer, enter **1** or **2**.

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

Complete the applicable parts to report changes in the information recorded on the MGS public record.

Part 5 – Mailing address

500 [ ] Please enter one of the following numbers in this box:
1 - Show no mailing address on the MGS public record.
2 - The corporation's mailing address is the same as the head or registered office address in Part 2 of this schedule.
3 - The corporation's complete mailing address is as follows:

510 Care of (if applicable)		
520 Street number	**530** Street name/Rural route/Lot and Concession number	**540** Suite number
550 Additional address information if applicable (line 530 must be completed first)		

560 Municipality (e.g., city, town)	**570** Province/state	**580** Country	**590** Postal/zip code

Part 6 – Language of preference

600 [ ] Indicate your language of preference by entering **1** for English or **2** for French. This is the language of preference recorded on the MGS public record for communications with the corporation. It may be different from line 990 on the T2 return.

Canada Revenue Agency / Agence du revenu du Canada

Code 1501

Scientific Research and Experimental Development (SR&ED) Expenditures Claim

Use this form:

- to provide technical information on your SR&ED projects;
- to calculate your SR&ED expenditures; and
- to calculate your qualified SR&ED expenditures for investment tax credits (ITC).

To claim an ITC, use either:

- Schedule T2SCH31, *Investment Tax Credit – Corporations*, or
- Form T2038(IND), *Investment Tax Credit (Individuals)*.

The information requested in this form and documents supporting your expenditures and project information (Part 2) are prescribed information.

Your SR&ED claim must be filed within 12 months of the filing due date of your income tax return.

To help you fill out this form, use the T4088, *Guide to Form T661*, which is available on our Web site: **www.cra.gc.ca/sred**.

Part 1 – General information

010 Name of claimant InnPower Corporation	Enter one of the following: 89242 2817 RC0001 Business number (BN)
Tax year From: 2017-01-01 (Year Month Day) To: 2017-12-31 (Year Month Day)	
050 Total number of projects you are claiming this tax year: 1	Social insurance number (SIN)

100 Contact person for the financial information Lisa McCaskie	**105** Telephone number/extension (705) 431-6870	**110** Fax number
115 Contact person for the technical information Danny Persaud	**120** Telephone number/extension (705) 431-6870	**125** Fax number

151 If this claim is filed for a partnership, was Form T5013 filed? . . . . . 1 ☐ Yes 2 ☐ No

If you answered **no** to line 151, complete lines 153, 156 and 157.

153 Names of the partners	**156** %	**157** BN or SIN
1		
2		
3		
4		
5		

Part 2 - Project information

CRA internal form identifier 060
Code 1501

Complete a separate Part 2 for each project claimed this year.

Section A - Project identification

200 Project title (and identification code if applicable)

See schedule

Part 3 – Calculation of SR&ED expenditures

What did you spend on your SR&ED projects?

Section A – Select the method to calculate the SR&ED expenditures

I elect (choose) to use the following method to calculate my SR&ED expenditures and related investment tax credits (ITC) for this tax year.
I understand that my election is irrevocable (cannot be changed) for this tax year.

160 1 [X] I elect to use the proxy method
(Enter "0" on line 360 and complete Part 5.)

162 1 [ ] I choose to use the traditional method
(Enter "0" on lines 355 and 502. Complete line 360.)

Section B – Calculation of allowable SR&ED expenditures (to the nearest dollar)

	Line		Amount
• SR&ED portion of salary or wages of employees directly engaged in the SR&ED:			
a) Employees other than specified employees for work performed in Canada	300	+	16,098
b) Specified employees for work performed in Canada	305	+	
Subtotal (add lines 300 and 305)	306	=	16,098
c) Employees other than specified employees for work performed outside Canada (subject to limitations – see guide)	307	+	
d) Specified employees for work performed outside Canada (subject to limitations – see guide)	309	+	
• Salary or wages identified on line 315 in prior years that were paid in this tax year	310	+	
• Salary or wages incurred in the year but not paid within 180 days of the tax year end	315		
• Cost of materials consumed in performing SR&ED	320	+	
• Cost of materials transformed in performing SR&ED	325	+	
• Contract expenditures for SR&ED performed on your behalf:			
a) Arm's length contracts (see note 1)	340	+	3,490
b) Non-arm's length contracts (see note 1)	345	+	
• Lease costs of equipment used **before 2014**:			
a) All or substantially all (90% of the time or more) for SR&ED	350	+	
b) Primarily (more than 50% of the time but less than 90%) for SR&ED. (Enter 50% of lease costs if you use the proxy method or enter "0" if you use the traditional method)	355	+	
• Overhead and other expenditures (enter "0" if you use the proxy method)	360	+	
• Third-party payments (see note 2) (complete Form T1263*)	370	+	
Total current SR&ED expenditures (add lines 306 to 370; do not add line 315) (Corporations may need to adjust line 118 of schedule T2SCH1)	380	=	19,588
• Capital expenditures for depreciable property available for use **before 2014** (Do not include these capital expenditures on schedule T2SCH8)	390	+	
Total allowable SR&ED expenditures (add lines 380 and 390)	400	=	19,588

Section C – Calculation of pool of deductible SR&ED expenditures (to the nearest dollar)

	Line		Amount
Amount from line 400	420		19,588
Deduct			
• provincial government assistance for expenditures included on line 400	429	–	661
• other government assistance for expenditures included on line 400	431	–	
• non-government assistance for expenditures included on line 400	432	–	
• SR&ED ITCs applied and/or refunded in the prior year (see guide)	435	–	
• sale of SR&ED capital assets and other deductions	440	–	
Subtotal (line 420 minus lines 429 to 440)	442	=	18,927
Add			
• repayments of government and non-government assistance that previously reduced the SR&ED expenditure pool	445	+	
• prior year's pool balance of deductible SR&ED expenditures (from line 470 of prior year T661)	450	+	
• SR&ED expenditure pool transfer from amalgamation or wind-up	452	+	
• amount of SR&ED ITC recaptured in the prior year	453	+	
Amount available for deduction (add lines 442 to 453) (enter positive amount only, include negative amount in income)	455	=	18,927
• Deduction claimed in the year (Corporations should enter this amount on line 411 of schedule T2SCH1)	460	–	18,927
Pool balance of deductible SR&ED expenditures to be carried forward to future years (line 455 minus 460)	470	=	

* Form T1263, *Third-Party Payments for Scientific Research and Experimental Development (SR&ED)*

Note 1 – For contract expenditures made after 2013, no amounts for purchasing or leasing capital property can be included.

Note 2 – For third-party payments made after 2013, no amounts for purchasing or leasing capital property can be included.

Part 4 – Calculation of qualified SR&ED expenditures for investment tax credit (ITC) purposes

The resulting amount is used to calculate your refundable and/or non refundable ITC.

Enter the breakdown between current and capital expenditures (to the nearest dollar)

	Line	Current Expenditures	Line	Capital Expenditures
Total expenditures for SR&ED (from lines 380 and 390)	492	19,588	496	
Add				
• payment of prior years' unpaid amounts (other than salary or wages) (see note 5)	500 +			
• prescribed proxy amount (complete Part 5) (Enter "0" if you use the traditional method)	502 +	8,788		
• expenditures on shared-use equipment for property acquired **before 2014**			504 +	
• qualified expenditures transferred to you (see note 3) (complete Form T1146**)	508 +		510 +	
Subtotal (add lines 492 to 508, and add lines 496 to 510)	511 =	28,376	512 =	
Deduct (see note 4)				
• provincial government assistance	513 –	969	514 –	
• other government assistance	515 –		516 –	
• non-government assistance and contract payments	517 –		518 –	
• current expenditures (other than salary or wages) not paid within 180 days of the tax year end (see note 5)	520 –			
• amounts paid in respect of an SR&ED contract to a person or partnership that is not a taxable supplier	528 –			
• 20% of expenditures included on lines 340 and 370	529 –	698		
• prescribed expenditures not allowed by regulations (see guide)	530 –		532 –	
• other deductions (see guide)	533 –		535 –	
• non-arm's length transactions				
– assistance allocated to you (complete Form T1145*)	538 –		540 –	
– expenditures for non-arm's length SR&ED contracts (from line 345)	541 –			
– adjustments to purchases (limited to costs) of goods and services from non-arm's length suppliers (see guide)	542 –		543 –	
– qualified expenditures you transferred (complete Form T1146**)	544 –		546 –	
Subtotal (line 511 minus lines 513 to 544 and line 512 minus lines 514 to 546)	557 =	26,709	558 =	
Qualified SR&ED expenditures (add lines 557 and 558)			559 =	26,709
Add				
• repayments of assistance and contract payments made in the year			560 +	
Total qualified SR&ED expenditures for ITC purposes (add lines 559 and 560)			570 =	26,709

* Form T1145, *Agreement to Allocate Assistance for SR&ED Between Persons Not Dealing at Arm's Length*

** Form T1146, *Agreement to Transfer Qualified Expenditures Incurred in Respect of SR&ED Contracts Between Persons Not Dealing at Arm's Length*

Note 3 – On line 510 (capital) – Only include expenditures made before 2014 by the transferor (performer). Complete the latest version of Form T1146.

Note 4 – On lines 514, 516, 518, 532, 535, 540, 543 and 546 – Only include amounts related to expenditures of a capital nature made before 2014.

Note 5 – For arm's length contracts, only include 80% of the contract amount.

Part 5 – Calculation of prescribed proxy amount (PPA)

A notional amount representing your overhead and other expenditures.

This part calculates the PPA to enter on line 502 in Part 4. Do not complete this part if you have chosen to use the traditional method in Part 3 (line 162).
You can only claim a PPA if you elected to use the proxy method for the year in Part 3 (line 160).

Special rules apply for specified employees. Calculate your salary base in Section A and the PPA in Section B.

Section A – Salary base

Salary or wages of employees other than specified employees (from lines 300 and 307)	810	+	16,098
Deduct			
Bonuses, remuneration based on profits, and taxable benefits that were included on line 810	812	–	120
Subtotal (line 810 minus 812)	814	=	15,978

Salary or wages of specified employees

850	852	854	856	858	860
Column 1	**Column 2**	**Column 3**	**Column 4**	**Column 5**	**Column 6**
Name of specified employee	Total salary or wages for the year (SR&ED and non-SR&ED) excluding bonuses, remuneration based on profits, and taxable benefits (to the nearest dollar)	% of time spent on SR&ED (maximum 75%)	Amount in column 2 multiplied by percentage in column 3	2,5 x A x B/365 A = Year's maximum pensionable earnings B = Number of days employed in tax year	Amount in column 4 or 5, whichever amount is less

(Enter total of column 6 on line 816) 816 +

Salary base (total of lines 814 and 816) 818 = 15,978

Section B – Prescribed proxy amount (PPA)

Enter 65% of the salary base (line 818) less 5% of the salary base for the number of 2013 calendar days in the tax year, and less 10% of the salary base for number of days after 2013 in the tax year (use the formula in the guide-line 820) 820 = 8,788

Enter the amount from line 820 on line 502 in Part 4 unless the overall cap on PPA applies to you.

(See the guide for explanation and example of the overall cap on PPA)

Part 6 – Project costs

Information requested in this part must be provided for **all** SR&ED projects claimed in the year.
Expenditures should be recorded and allocated on a project basis.

750	752	754	756
Project title or identification code	Salary or wages in the tax year (Total of lines 306 to 309)	Cost of materials in the tax year (Total of lines 320 and 325)	Contract expenditures for SR&ED performed on your behalf in the tax year (Total of lines 340 and 345)
1. FY2017-P1	16,098		3,490
Total	16,098		3,490

Part 7 – Additional information

Expenditures for SR&ED performed by you in Canada (line 400 minus lines 307, 309, 340, 345, and 370) **605** 16,098

From the total you entered on line 605, estimate the percentage of distribution of the sources of funds for SR&ED performed within your organization.

	Line	Canadian (%)	Line	Foreign (%)
Internal	600	100.000		
Parent companies, subsidiaries, and affiliated companies	602		604	
Federal grants (do not include funds or tax credits from SR&ED tax incentives)	606			
Federal contracts	608			
Provincial funding	610			
SR&ED contract work performed for other companies on their behalf	612		614	
Other funding (e.g., universities, foreign governments)	616		618	

For statistical purposes indicate whether the work you performed falls within the realm of Basic or Applied research (to advance scientific knowledge) or Experimental development (to achieve a technological advancement):

620 1 [ ] Basic or Applied research **622** 1 [X] Experimental development

Enter the number of SR&ED personnel in full-time equivalents (FTE):

	Line	
Scientists and engineers	632	
Technologists and technicians	634	
Managers and administrators	636	
Other technical supporting staff	638	

Part 8 – Claim checklist

To ensure your claim is complete, make sure you have:

1. used the current version of this form . . . [X]
2. entered the method you have chosen for reporting your SR&ED expenditures in Section A of Part 3 . . . [X]
3. completed Part 2 for each project . . . [X]
4. filed a completed Schedule T2SCH31 or Form T2038(IND) to claim ITCs on your qualified SR&ED expenditures . . . [X]
5. filed a completed Form T1145*, T1146**, T1174*** and/or T1263**** including any required attachments, if applicable . . . [X]

To expedite the processing of your claim, make sure you have:

1. completed Form T2, *Corporation Income Tax Return* or Form T1, *Income Tax and Benefit Return* . . . [X]
2. filed the appropriate provincial and/or territorial tax credit forms, if applicable . . . [X]
3. retained documents to support the SR&ED work performed and SR&ED expenditures you claimed . . . [X]
4. checked boxes 231 and 232 on page 2 of your T2 return to indicate attachment of Form T661 and Schedule T2SCH31 . . . [X]

* Form T1145, *Agreement to Allocate Assistance for SR&ED Between Persons Not Dealing at Arm's Length*

** Form T1146, *Agreement to Transfer Qualified Expenditures Incurred in Respect of SR&ED Contracts Between Persons Not Dealing at Arm's Length*

*** Form T1174, *Agreement Between Associated Corporations to Allocate Salary or Wages of Specified Employees for Scientific Research and Experimental Development (SR&ED)*

**** Form T1263, *Third-Party Payments for Scientific Research and Experimental Development (SR&ED)*

Part 9 – Claim preparer information

Information requested in this part must be provided for each claim preparer that has accepted consideration to prepare or assist in the preparation of this SR&ED claim. Certification is required on lines 935, 970, and 975.

A $1000 penalty may be assessed if the information requested below about the claim preparer(s) and billing arrangement(s), is missing, incomplete, or inaccurate. Where a claim preparer has prepared or assisted in the preparation of this SR&ED form, the claimant and the claim preparer will be jointly and severally, or solidarily, liable for the penalty.

935 Was a claim preparer engaged in any aspect of the preparation of this SR&ED claim?

1 [X] Yes (complete the claim preparer information table and lines 970 and 975 below)

2 [ ] No (complete lines 970 and 975)

Claim preparer information table

940 Name of claim preparer (company or individual)	945 Business number	950 Billing arrangement code (see codes*)	955 Billing rate (percentage, hourly/daily rate or flat fee)	960 Other billing arrangement(s) (Maximum 10 words)	965 Total fee paid, payable, or expected to pay
1. Grant Thorton LLP	12194 0282 RC0001	5		To be filed under serpera	5,000
				Total	5,000

*** Billing arrangement codes**

Code	Type of billing arrangement
1	Contingency fee arrangement – where the fee is based on a percentage of the investment tax credit earned
2	Hourly rate
3	Daily rate
4	Flat fee arrangement (lump sum)
5	Other arrangements – describe the arrangement in box 960 in 10 words or less

970 I, Glen McAllister, certify that the information provided in this part is complete and accurate.
Name of authorized signing officer of the corporation, or individual (print)

Signature

975 2018-06-28
Year Month Day

Part 10 – Certification

I certify that I have examined the information provided on this form and on the attachments and it is true, correct, and complete.

165 Glen McAllister
Name of authorized signing officer of the corporation, or individual

Signature

170 2018-06-28
Date

175 KPMG LLP
Name of person/firm who completed this form

Privacy Notice

Personal information is collected pursuant to subsections 37(1), 37(11), and 162(5.1) of the *Income Tax Act* (the Act) and is used for verification of compliance, administration and enforcement of the Scientific Research and Experimental Development (SR&ED) program requirements.

Information may also be used for the administration and enforcement of other provisions of the Act, including assessment, audit, enforcement, collections, and appeals, and may be disclosed under information-sharing agreements in accordance with the Act. Incomplete or inaccurate information may result in assessment of monetary penalties and delays in processing SR&ED claims.

The social insurance number is collected pursuant to section 237 of the Act and is used for identification purposes.

Information is described in personal information bank CRA PPU 441 "Scientific Research and Experimental Development" in the Canada Revenue Agency (CRA) chapter of *Info Source*. Personal information is protected under the *Privacy Act*, and individuals have a right of access to, correction, and protection of their personal information. Further details regarding requests for personal information at the CRA and our *Info Source* chapter can be found at www.cra.gc.ca/atip.

Part 2 – Project information (continued)

Project number **1**

CRA internal form identifier 060
Code 1501

Complete a separate Part 2 for each project claimed this year.

Section A – Project identification

200 Project title (and identification code if applicable)

FY2017-P1

202 Project start date	**204** Completion or expected completion date	**206** Field of science or technology code (See guide for list of codes)
2012-01 (Year Month)	2018-01 (Year Month)	2.02.01 Electrical and electronic engineering

Project claim history

208 1 [X] Continuation of a previously claimed project **210** 1 [ ] First claim for the project

218 Was any of the work done jointly or in collaboration with other businesses? . . . . 1 [ ] Yes 2 [X] No

If you answered **yes** to line 218, complete lines 220 and 221.

220 Names of the businesses	**221** BN
1	

Section B – Project descriptions

242 What scientific or technological uncertainties did you attempt to overcome?
(*Maximum 50 lines*)

FY2017-P1: Advanced Techniques for Radio Communication System Design

In 2012 we had identified that an existing SCADA communications network based on 900 MHz unlicensed radio frequencies contained insufficient data bandwidth to support additional equipment that needed to be added to the network going forward (>1 Mbit/s, with 99.999% reliability). In 2013 we developed a preliminary multi-frequency network system (1.8, 18 and 23 GHz) which was demonstrated to achieve the necessary performance in a lab setup for a subset of the signals, however this setup could not test the effect of issues such as large distances between nodes and weather related effects. In FY14-2016 we continued this development through lab testing to simulate the communication behavior from the three data utilities (i.e. Water, Power, and Waste Water) using the multi-frequency network system. We made modifications to our network model to prioritize signals of each grouped data type, adjusted the classification and traffic priorities of the various signals, made adjustments to switch network parameters to control packet handling techniques and adjusted the minimum and maximum throughput rates. These modifications allowed us to achieve the desired throughputs and latencies required for most of the sources in our lab setup. In FY16, we completed field installation of the equipment, which would be used to validate our predicted performance model. Testing equipment was installed over five sectors with two systems per sector which would allow us to cover all different types of traffic that we anticipated (i.e. Water, Waste Water, and Power). However during this work we encountered unexpected packet losses and latency issues in our waste water network, and the techniques we developed to recover from a broken topology ring did not work as expected. In response we developed several remedial techniques including disabling SSH polling on the Network Management System, implementing different electrical grounding schemes for the wired connections, and developing a methodology to automatically re-route signals to newly recovered nodes based on throughput rate polling and balancing techniques to restore service between affected sites when one or two breaks occurred.

In early 2017 a radio failure was noted on one of the towers due to lightning, and it was decided that this location was not suitable for this radio long term. This prevented us from being able to complete the network topology loop to ensure robust communications when any other section of the ring went down. There were no other sites nearby that could be affixed with a compatible radio

242 What scientific or technological uncertainties did you attempt to overcome? (*Maximum 50 lines*)

to complete the loop, and we determined that the two affected locations on either side of the failed tower did not have an affective line of sight between them to facilitate traditional point-to-point communication. As a result we were uncertain of the design approach to take to reliably close this loop and maintain our high throughput rates for each of the three data utilities, and required experimentation to test new ideas.

244 What work did you perform **in the tax year** to overcome the scientific or technological uncertainties described in line 242? (Summarize the systematic investigation or search) (*Maximum 100 lines*)

Our first thought was to re-route the broken ends of the topology loop to our head office, even though it was located a significant distance away from each end. Analysis of the terrain revealed that there was line of sight between the connection points however potential interferences were noted along the fringes of the visible corridors which we suspected would reduce our bandwidth, therefore impacting our performance requirements. In addition we unable to integrate an 18 GHz Dragon wave radio to our office, so we began analyzing alternative communication technologies. Of these, we theorized that we could use a 1.8GHz backhaul radio however initial calculations revealed that the bandwidth capacity was much less than the 18 GHz radios and we were uncertain how to realign the network settings and balance the lines sufficiently to maintain the different signal priorities, throughputs, latencies and ring recovery times that we had achieved using the prior configuration. We hired a contractor (Comsolve) to assist us with this alternative design approach. Together we developed a methodology whereby the 1.8GHz subscriber station would be designed to communicate to each of the base stations. Initial testing revealed that there was inter-channel interferences occurring between the stations and the GPS system was intermittently unstable. In an attempt to overcome this issue we theorized that we could reconfigure the subscriber station to use 6 frequencies that differed slightly about the 1.8 GHz main frequency to increase bandwidth and reduce these interferences.

By the end of FY2017 we finalized this approach and had performed preliminary testing of discrete aspects of it as separate systems. We plan on integrating the backhaul radio and performing full system testing in FY2018 to assess the viable reliability and performance.

246 What scientific or technological advancements did you achieve or attempt to achieve as a result of the work described in line 244? (*Maximum 50 lines*)

Through the work performed in this fiscal period we have advanced our knowledge in the field of network optimization as it pertains to communication between various CPEs. We have developed a theoretical approach that uses a 1.8GHz subscriber station to communicate using 6 frequencies to the existing base stations. We theorize that even though the bandwidth of these are less than the 18 GHz radios used by the base stations to communicate with each other, this approach will reduce channel interferences and allow us to achieve our desired throughput, latency and ring recovery times by balancing the service flows appropriately and compensating for deficiencies using the other stations.

We consider this project on-going as we plan on testing our new approach on fully integrated hardware in FY2018.

Section C – Additional project information

Who prepared the responses for Section B?

253 1 [X] Employee directly involved in the project	254 Name: Morteza Mirkeshmiri		
255 1 [ ] Other employee of the company	256 Name:		
257 1 [X] External consultant	258 Name: Grant Thorton LLP	259 Firm: Grant Thorton LLP	

List the key individuals directly involved in the project and indicate their qualifications/experience.

	260 Names	261 Qualifications/experience and position title
1	Morteza Mirkeshmiri	VP Project Manager, 15 years experience
2	Ali Syed	Smart Grid Engineer, 6+ years industry experience
3		

265 Are you claiming any salary or wages for SR&ED performed outside Canada? . . . 1 [ ] Yes 2 [X] No

266 Are you claiming expenditures for SR&ED carried out on behalf of another party? . . . 1 [ ] Yes 2 [X] No

267 Are you claiming expenditures for SR&ED performed by people other than your employees? . . . 1 [X] Yes 2 [ ] No

If you answered **yes** to line 267, complete lines 268 and 269.

	268 Names of individuals or companies	269 BN
1	Comsolve	80610 9146 RT0001
2		

What evidence do you have to support your claim? (Check any that apply)
You do not need to submit these items with the claim. However, you are required to retain them in the event of a review.

- 270 1 [X] Project planning documents
- 271 1 [X] Records of resources allocated to the project, time sheets
- 272 1 [X] Design of experiments
- 273 1 [ ] Project records, laboratory notebooks
- 274 1 [ ] Design, system architecture and source code
- 275 1 [ ] Records of trial runs
- 276 1 [X] Progress reports, minutes of project meetings
- 277 1 [ ] Test protocols, test data, analysis of test results, conclusions
- 278 1 [ ] Photographs and videos
- 279 1 [ ] Samples, prototypes, scrap or other artefacts
- 280 1 [X] Contracts
- 281 1 [ ] Others, specify 282

Canada Revenue Agency / Agence du revenu du Canada

T2 Corporation Income Tax Return

200

055 **Do not use this area**

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

All legislative references on this return are to the federal *Income Tax Act* and *Income Tax Regulations*. This return may contain changes that had not yet become law at the time of publication.

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

For more information see canada.ca/taxes or Guide T4012, *T2 Corporation – Income Tax Guide*.

Identification

Business number (BN) **001** 89242 2817 RC0001

Corporation's name

002 InnPower Corporation

Address of head office

Has this address changed since the last time we were notified? . . . . **010** 1 Yes [ ] 2 No [X]

If **yes**, complete lines 011 to 018.

011 7251 Yonge Street

012

City **015** Innisfil

Province, territory, or state **016** ON

Country (other than Canada) **017**

Postal or ZIP code **018** L9S 0J3

Mailing address (if different from head office address)

Has this address changed since the last time we were notified? . . . . **020** 1 Yes [ ] 2 No [X]

If **yes**, complete lines 021 to 028.

021 c/o

022 7251 Yonge Street

023

City **025** Innisfil

Province, territory, or state **026** ON

Country (other than Canada) **027**

Postal or ZIP code **028** L9S 0J3

Location of books and records (if different from head office address)

Has this address changed since the last time we were notified? . . . . **030** 1 Yes [ ] 2 No [X]

If **yes**, complete lines 031 to 038.

031 7251 Yonge Street

032

City **035** Innisfil

Province, territory, or state **036** ON

Country (other than Canada) **037**

Postal or ZIP code **038** L9S 0J3

040 **Type of corporation at the end of the tax year** (tick one)

- [X] 1 Canadian-controlled private corporation (CCPC)
- [ ] 2 Other private corporation
- [ ] 3 Public corporation
- [ ] 4 Corporation controlled by a public corporation
- [ ] 5 Other corporation (specify)

If the type of corporation changed during the tax year, provide the effective date of the change . . . . **043** Year Month Day

To which tax year does this return apply?

Tax year start **060** Year Month Day 2017-01-01

Tax year-end **061** Year Month Day 2017-12-31

Has there been an acquisition of control resulting in the application of subsection 249(4) since the tax year start on line 060? . . . . **063** 1 Yes [ ] 2 No [X]

If **yes**, provide the date control was acquired . . . . **065** Year Month Day

Is the date on line 061 a deemed tax year-end according to subsection 249(3.1)? . . . . **066** 1 Yes [ ] 2 No [X]

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

Is this the first year of filing after:

Incorporation? . . . . **070** 1 Yes [ ] 2 No [X]

Amalgamation? . . . . **071** 1 Yes [ ] 2 No [X]

If **yes**, complete lines 030 to 038 and attach Schedule 24.

Has there been a wind-up of a subsidiary under section 88 during the current tax year? . . . . **072** 1 Yes [ ] 2 No [X]

If **yes**, complete and attach Schedule 24.

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

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

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

Is the corporation a resident of Canada? **080** 1 Yes [X] 2 No [ ]

If **no**, give the country of residence on line 081 and complete and attach Schedule 97.

081

Is the non-resident corporation claiming an exemption under an income tax treaty? . . . . **082** 1 Yes [ ] 2 No [X]

If **yes**, complete and attach Schedule 91.

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

085
- [ ] 1 Exempt under paragraph 149(1)(e) or (l)
- [ ] 2 Exempt under paragraph 149(1)(j)
- [ ] 3 Exempt under paragraph 149(1)(t)
- [ ] 4 Exempt under other paragraphs of section 149

Do not use this area

095 **096** **898**

Attachments

Financial statement information: Use GIFI schedules 100, 125, and 141.
Schedules – Answer the following questions. For each **yes** response, **attach** the schedule to the T2 return, unless otherwise instructed.

		Yes	Schedule
Is the corporation related to any other corporations?	150	X	9
Is the corporation an associated CCPC?	160	X	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	161		49
Does the corporation have any non-resident shareholders who own voting shares?	151		19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
If you answered **yes** to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
Is the corporation claiming a loss or deduction from a tax shelter?	166		T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	167		T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust (without reference to section 94)?	168		22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	169		25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the *Income Tax Regulations*?	170		29
Did the corporation have a total amount over CAN$1 million of reportable transactions with non-arm's length non-residents?	171		T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172		———
Does the corporation earn income from one or more Internet webpages or websites?	180		88
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
Has the corporation made any charitable donations; gifts of cultural or ecological property; or gifts of medicine?	202		2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203		3
Is the corporation claiming any type of losses?	204	X	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205	X	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	206		6
i) Is the corporation a CCPC and reporting a) income or loss from property (other than dividends deductible on line 320 of the T2 return), b) income from a partnership, c) income from a foreign business, d) income from a personal services business, e) income referred to in clause 125(1)(a)(i)(C) or 125(1)(a)(i)(B), f) aggregate investment income as defined in subsection 129(4), or g) an amount assigned to it under subsection 125(3.2) or 125(8); or ii) Is the corporation a member of a partnership and assigning its specified partnership business limit to a designated member under subsection 125(8)?	207	X	7
Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
Does the corporation have any property that is eligible capital property?	210		10
Does the corporation have any resource-related deductions?	212		12
Is the corporation claiming deductible reserves (other than transitional reserves under section 34.2)?	213		13
Is the corporation claiming a patronage dividend deduction?	216		16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217		17
Is the corporation an investment corporation or a mutual fund corporation?	218		18
Is the corporation carrying on business in Canada as a non-resident corporation?	220		20
Is the corporation claiming any federal, provincial, or territorial foreign tax credits, or any federal logging tax credits?	221		21
Does the corporation have any Canadian manufacturing and processing profits?	227		27
Is the corporation claiming an investment tax credit?	231	X	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232	X	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over $10,000,000?	233	X	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over $10,000,000?	234	X	———
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
Is the corporation claiming a Part I tax credit?	242		42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
Is the corporation subject to Part II – Tobacco Manufacturers' surtax?	249		46
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250		39
Is the corporation claiming a Canadian film or video production tax credit refund?	253		T1131
Is the corporation claiming a film or video production services tax credit refund?	254		T1177
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	255		92

Attachments (continued)

		Yes	Schedule
Did the corporation have any foreign affiliates in the tax year?	271		T1134
Did the corporation own or hold specified foreign property where the total cost amount of all such property, at any time in the year, was more than CAN$100,000?	259		T1135
Did the corporation transfer or loan property to a non-resident trust?	260		T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261		T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262		T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263		T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264		T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	265		55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	266		T2002
Has the corporation revoked any previous election made under subsection 89(11)?	267		T2002
Did the corporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its general rate income pool (GRIP) change in the tax year?	268		53
Did the corporation (other than a CCPC or DIC) pay eligible dividends, or did its low rate income pool (LRIP) change in the tax year?	269		54

Additional information

		1 Yes	2 No
Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	X	
Is the corporation inactive?	280		X

What is the corporation's main revenue-generating business activity? 221122 Electric Power Distribution

Specify the principal products mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

284	Electricity distributor	285	100.000 %
286		287	%
288		289	%

		1 Yes	2 No
Did the corporation immigrate to Canada during the tax year?	291		X
Did the corporation emigrate from Canada during the tax year?	292		X
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293		

If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible 294 Year Month Day

If the corporation's major business activity is construction, did you have any subcontractors during the tax year? 295 1 Yes [ ] 2 No [ ]

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI	300		-1,317,147	A
Deduct:				
Charitable donations from Schedule 2	311			
Cultural gifts from Schedule 2	313			
Ecological gifts from Schedule 2	314			
Gifts of medicine made before March 22, 2017, from Schedule 2	315			
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320			
Part VI.1 tax deduction*	325			
Non-capital losses of previous tax years from Schedule 4	331			
Net capital losses of previous tax years from Schedule 4	332			
Restricted farm losses of previous tax years from Schedule 4	333			
Farm losses of previous tax years from Schedule 4	334			
Limited partnership losses of previous tax years from Schedule 4	335			
Taxable capital gains or taxable dividends allocated from a central credit union	340			
Prospector's and grubstaker's shares	350			
Subtotal			▶	B
Subtotal (amount A **minus** amount B) (if negative, enter "0")				C
Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355			D
Taxable income (amount C **plus** amount D)	360			
Income exempt under paragraph 149(1)(t)	370			
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 **minus** line 370)				Z
Taxable income for the year from a personal services business				Z.1

* This amount is equal to 3.5 times the Part VI.1 tax payable at line 724 on page 8.

Small business deduction

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

Income from active business carried on in Canada from Schedule 7 . . . . **400** ______ A

Taxable income from line 360 on page 3, **minus** 100/28 (3.57143) of the amount on line 632* on page 7, **minus** 4 times the amount on line 636** on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax . . . . **405** ______ B

Business limit (see notes 1 and 2 below) . . . . **410** 500,000 C

Notes:

1. For CCPCs that are not associated, enter $ 500,000 on line 410. However, if the corporation's tax year is less than 51 weeks, prorate this amount by the number of days in the tax year **divided** by 365, and enter the result on line 410.
2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

Business limit reduction:

Amount C 500,000 x **415** *** 420,366 / 11,250 D = ... 18,682,933 E

Reduced business limit (amount C **minus** amount E) (if negative, enter "0") . . . . **425** ______ F

Business limit the CCPC assigns under subsection 125(3.2) (from line 515 below) . . . . ______ G

Amount F **minus** amount G . . . . **427** ______ H

Small business deduction

Amount A, B, C, or H, whichever is the least ______ x (Number of days in the tax year before January 1, 2018: 365 / Number of days in the tax year: 365) x 17.5 % = ______ 1

Amount A, B, C, or H, whichever is the least ______ x (Number of days in the tax year after December 31, 2017, and before January 1, 2019: ______ / Number of days in the tax year: 365) x 18 % = ______ 2

Total of amounts 1 and 2 (enter amount I at amount J on page 7) **430** ______ I

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

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

*** **Large corporations**

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

Specified corporate income and assignment under subsection 125(3.2)

Applicable to tax years that begin after March 21, 2016

Except that, if the tax year of your corporation started before **and** ends on or after March 22, 2016 and in the tax year of a CCPC, you can make an assignment of business limit to that other CCPC if its tax year started after March 21, 2016.

	J1 Name of corporation receiving the income and assigned amount	J Business number of the corporation receiving the assigned amount **490**	K Income paid under clause 125(1)(a)(i)(B) to the corporation identified in column J [3] **500**	L Business limit assigned to corporation identified in column J [4] **505**
1.				

Total **510** ______ Total **515** ______

Notes:

3. This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts each of which is income from an active business of the corporation for the year from the provision of services or property to a private corporation (directly or indirectly, in any manner whatever) if
(A) at any time in the year, the corporation (or one of its shareholders) or a person who does not deal at arm's length with the corporation (or one of its shareholders) holds a direct or indirect interest in the private corporation, and
(B) it is not the case that all or substantially all of the corporation's income for the year from an active business is from the provision of services or property to
(I) persons (other than the private corporation) with which the corporation deals at arm's length, or
(II) partnerships with which the corporation deals at arm's length, other than a partnership in which a person that does not deal at arm's length with the corporation holds a direct or indirect interest.
4. The amount of the business limit you assign to a CCPC cannot be greater than the amount determined by the formula A – B, where A is the amount of income referred to in column K in respect of that CCPC and B is the portion of the amount described in A that is deductible by you in respect of the amount of income referred to in clauses 125(1)(a)(i)(A) or (B) for the year. The amount on line 515 cannot be greater than the amount on line 425.

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the tax year

Taxable income from page 3 (line 360 or amount Z, whichever applies)					A
Lesser of amounts 9B and 9H from Part 9 of Schedule 27			B		
Amount 13K from Part 13 of Schedule 27			C		
Personal services business income	432		D		
Amount used to calculate the credit union deduction (amount F from Schedule 17)			E		
Amount from line 400, 405, 410, or 427 on page 4, whichever is the least			F		
Aggregate investment income from line 440 on page 6*		11,000	G		
Subtotal (**add** amounts B to G)		11,000	▶	11,000	H
Amount A **minus** amount H (if negative, enter "0")					I
General tax reduction for Canadian-controlled private corporations – Amount I **multiplied** by 13 %					J

Enter amount J on line 638 on page 7.

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

General tax reduction

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

Taxable income from page 3 (line 360 or amount Z, whichever applies)					K
Lesser of amounts 9B and 9H from Part 9 of Schedule 27			L		
Amount 13K from Part 13 of Schedule 27			M		
Personal services business income	434		N		
Amount used to calculate the credit union deduction (amount F from Schedule 17)			O		
Subtotal (**add** amounts L to O)			▶		P
Amount K **minus** amount P (if negative, enter "0")					Q
General tax reduction – Amount Q **multiplied** by 13 %					R

Enter amount R on line 639 on page 7.

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the tax year

Aggregate investment income from Schedule 7 . . . . **440**	11,000	x 30 2 / 3 % =		3,373	A
Foreign non-business income tax credit from line 632 on page 7					B
Deduct: Foreign investment income from Schedule 7 . . . . **445**		x 8 % =			C
Subtotal (amount B **minus** amount C) (if negative, enter "0")			▶		D
Amount A **minus** amount D (if negative, enter "0")				3,373	E
Taxable income from line 360 on page 3					F
Deduct: Amount from line 400, 405, 410, or 427 on page 4, whichever is the least					G
Foreign non-business income tax credit from line 632 on page 7		x 75 / 29 =			H
Foreign business income tax credit from line 636 on page 7 . .		x 4 =			I
Subtotal (total of amounts G, H and I)			▶		J
Subtotal (amount F **minus** amount J) (if negative, enter "0")		K x 30 2 / 3 % =			L
Part I tax payable minus investment tax credit refund (line 700 **minus** line 780 from page 8)					M
Refundable portion of Part I tax – Amount E, L, or M, whichever is the least **450**					N

Refundable dividend tax on hand

Refundable dividend tax on hand at the end of the previous tax year **460**			
Deduct: Dividend refund for the previous tax year **465**			
Subtotal		▶	O
Add the total of:			
Refundable portion of Part I tax from line 450 above			P
Total Part IV tax payable from Schedule 3			Q
Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation **480**			
Subtotal		▶	R
Refundable dividend tax on hand at the end of the tax year – Amount O **plus** amount R **485**			

Dividend refund

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

Taxable dividends paid in the tax year from line 460 on page 3 of Schedule 3		x 38 1 / 3 % =		S
Refundable dividend tax on hand at the end of the tax year from line 485 above				T
Dividend refund – Amount S or T, whichever is less				U

Enter amount U on line 784 on page 8.

Part I tax

Base amount Part I tax – Taxable income from page 3 (line 360 or amount Z, whichever applies) **multiplied** by 38 % . . . . 550 ______ A

Additional tax on personal services business income (section 123.5)

Taxable income from a personal services business . . . . 555 ______ x 5 % = 560 ______ B

Recapture of investment tax credit from Schedule 31 . . . . 602 ______ C

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

Aggregate investment income from line 440 on page 6 . . . . 11,000 D

Taxable income from line 360 on page 3 . . . . ______ E

Deduct:
Amount from line 400, 405, 410, or 427 on page 4,
whichever is the least . . . . ______ F

Net amount (amount E **minus** amount F) ______ ► ______ G

Refundable tax on CCPC's investment income – 10 2 / 3 % of whichever is less: amount D or amount G . . . . 604 ______ H

Subtotal (**add** amounts A, B, C, and H) ______ I

Deduct:

Small business deduction from line 430 on page 4 . . . . ______ J

Federal tax abatement . . . . 608 ______

Manufacturing and processing profits deduction from Schedule 27 . . . . 616 ______

Investment corporation deduction . . . . 620 ______

Taxed capital gains 624 ______

Additional deduction – credit unions from Schedule 17 . . . . 628 ______

Federal foreign non-business income tax credit from Schedule 21 . . . . 632 ______

Federal foreign business income tax credit from Schedule 21 . . . . 636 ______

General tax reduction for CCPCs from amount J on page 5 . . . . 638 ______

General tax reduction from amount R on page 5 . . . . 639 ______

Federal logging tax credit from Schedule 21 . . . . 640 ______

Eligible Canadian bank deduction under section 125.21 . . . . 641 ______

Federal qualifying environmental trust tax credit . . . . 648 ______

Investment tax credit from Schedule 31 . . . . 652 ______

Subtotal ______ ► ______ K

Part I tax payable – Amount I **minus** amount K . . . . ______ L

Enter amount L on line 700 on page 8.

Privacy statement

Personal information is collected under the *Income Tax Act* to administer tax, benefits, and related programs. It may also be used for any purpose related to the administration or enforcement of the Act such as audit, compliance and the payment of debts owed to the Crown. It may be shared or verified with other federal, provincial/territorial government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties or other actions. Under the *Privacy Act*, individuals have the right to access their personal information and request correction if there are errors or omissions. Refer to Info Source canada.ca/cra-info-source, personal information bank CRA PPU 047.

Summary of tax and credits

Federal tax

Part I tax payable from amount L on page 7	700	
Part II surtax payable from Schedule 46	708	
Part III.1 tax payable from Schedule 55	710	
Part IV tax payable from Schedule 3	712	
Part IV.1 tax payable from Schedule 43	716	
Part VI tax payable from Schedule 38	720	
Part VI.1 tax payable from Schedule 43	724	
Part XIII.1 tax payable from Schedule 92	727	
Part XIV tax payable from Schedule 20	728	
Total federal tax		

Add provincial or territorial tax:

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

Net provincial or territorial tax payable (except Quebec and Alberta)	760	
Total tax payable	770	A

Deduct other credits:

Investment tax credit refund from Schedule 31	780	
Dividend refund from amount U on page 6	784	
Federal capital gains refund from Schedule 18	788	
Federal qualifying environmental trust tax credit refund	792	
Canadian film or video production tax credit refund (Form T1131)	796	
Film or video production services tax credit refund (Form T1177)	797	
Tax withheld at source	800	
Total payments on which tax has been withheld	801	
Provincial and territorial capital gains refund from Schedule 18	808	
Provincial and territorial refundable tax credits from Schedule 5	812	3,240
Tax instalments paid	840	
Total credits	890	3,240 ▶ 3,240 B

Refund code 894 1 Overpayment 3,240

Balance (amount A **minus** amount B) -3,240

If the result is positive, you have a **balance unpaid**.
If the result is negative, you have an **overpayment**.
Enter the amount on whichever line applies.
Generally, we do not charge or refund a difference of $2 or less.

Balance unpaid . . . . . .

For information on how to make your payment, go to canada.ca/payments.

Direct deposit request

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

☐ Start ☐ Change information

910 Branch number

914 Institution number

918 Account number

If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due? . . . 896 1 Yes ☐ 2 No ☒

If this return was prepared by a tax preparer for a fee, provide their EFILE number . . . 920 A6698

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

Certification

I, 950 McAllister (Last name) 951 Glen (First name) 954 CFO (Position, office, or rank),
am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I also certify that the method of calculating income for this tax year is consistent with that of the previous tax year except as specifically disclosed in a statement attached to this return.

955 2018-06-28 — Date (yyyy/mm/dd)

Signature of the authorized signing officer of the corporation

956 (705) 431-6870 — 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 Lisa McCaskie — Name of other authorized person

959 (705) 431-6870 — Telephone number

Language of correspondence – Langue de correspondance

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

990 1

Canada Revenue Agency / Agence du revenu du Canada

Net Income (Loss) for Income Tax Purposes

Schedule 1

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2017-12-31

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes. For more information, see the T2 *Corporation – Income Tax Guide*.
- All legislative references are to the *Income Tax Act*.

Net income (loss) after taxes and extraordinary items from line 9999 of Schedule 125 . . . 35,000 A

Add:

	Line	Amount	
Provision for income taxes – current	101	68,000	
Provision for income taxes – deferred	102	267,000	
Amortization of tangible assets	104	2,418,000	
Loss on disposal of assets	111	53,000	
Scientific research expenditures deducted per financial statements	118	19,588	
Non-deductible meals and entertainment expenses	121	10,050	
Reserves from financial statements – balance at the end of the year	126	156,696	
Subtotal of additions		2,992,334 ▶	2,992,334

Other additions:

Miscellaneous other additions:

	1 Description 605	2 Amount 295
1	Inducement under 12(1)(x) ITA	979,572
2	Amortization expensed in distribution expenses	100,468
3	Customer Deposits - paragraph 20(1)(a)	409,000
4	Adjustment for 2016 EFB	45,000
5	2016 Tax in regulatory acct.	38,000
	Total of column 2	1,572,040

	Line	Amount		
Total of column 2 ▶	296	1,572,040		
Subtotal of other additions	199	1,572,040 ▶	1,572,040	
Total additions	500	4,564,374 ▶	4,564,374	B
Amount A **plus** amount B			4,599,374	C

Deduct:

	Line	Amount	
Capital cost allowance from Schedule 8	403	3,677,555	
SR&ED expenditures claimed in the year on line 460 from Form T661	411	18,927	
Reserves from financial statements – balance at the beginning of the year	414	139,779	
Subtotal of deductions		3,836,261 ▶	3,836,261

Other deductions:

Miscellaneous other deductions:

	1 Description 705	2 Amount 395
1	13(7.4) electon re contributed capital	979,572
2	CDN GAAP deferred credits	55,041
3	Customer Deposits - paragraph 20(1)(m)	409,000
4	Amortization of deferred contribution	419,034
5	2017 tax movement in reg. account	209,000
6	Co-op credits applied against wages	8,613
	Total of column 2	2,080,260

Total of column 2 ▶ 396 2,080,260

Subtotal of other deductions	499	2,080,260	▶	2,080,260	
Total deductions	510	5,916,521	▶	5,916,521	D
Net income (loss) for income tax purposes (amount C **minus** amount D)				-1,317,147	E

Enter amount E on line 300 of the T2 return.

T2 SCH 1 E (17)

Canadä

Inducement

This form is used to calculate inducements that a corporation must add to its income under paragraph 12(1)(x) of the ITA. If an amount reduces the capital cost of a property, this amount will be indicated in Part "Tax credits whose amount should reduce the capital cost of property."

If you want to transfer an amount to Schedule 1 and include it in the corporation's income for tax purposes, select the corresponding check box in column A. You can also select the option **Select this check box to add all the amounts to income calculated in Schedule 1** to transfer all the amounts to Schedule 1. In either case, the column A check box will be selected for that amount and it will therefore be updated to Schedule 1.

Tax credits whose amount should be added to income

Select this check box to add all the amounts to income calculated in Schedule 1. . . . . ☐

Other amounts

A		
X	Contributed capital for fixed assets	979,572
	Total	979,572

Tax credits whose amount should reduce the capital cost of property

Canada Revenue Agency / Agence du revenu du Canada

Schedule 4

Corporation Loss Continuity and Application

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2017-12-31

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

Part 1 – Non-capital losses

Determination of current-year non-capital loss

Net income (loss) for income tax purposes			-1,317,147	A
Deduct: (increase a loss)				
Net capital losses deducted in the year (enter as a positive amount)		a		
Taxable dividends deductible under section 112 or subsections 113(1) or 138(6)		b		
Amount of Part VI.1 tax deductible under paragraph 110(1)(k)		c		
Amount deductible as prospector's and grubstaker's shares – Paragraph 110(1)(d.2)		d		
Subtotal (total of amounts a to d)		▶		B
Subtotal (amount A **minus** amount B; if positive, enter "0")			-1,317,147	C
Deduct: (increase a loss)				
Section 110.5 or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions				D
Subtotal (amount C **minus** amount D)			-1,317,147	E
Add: (decrease a loss)				
Current-year farm loss (the lesser of: the net loss from farming or fishing included in income and the non-capital loss before deducting the farm loss)				F
Current-year non-capital loss (amount E **plus** amount F; if positive, enter "0")			-1,317,147	G

If amount G is negative, enter it on line 110 as a positive.

Continuity of non-capital losses and request for a carryback

Non-capital loss at the end of the previous tax year			e		
Deduct: Non-capital loss expired (note 1)	100		f		
Non-capital losses at the beginning of the tax year (amount e **minus** amount f)	102		▶		H
Add:					
Non-capital losses transferred on an amalgamation or on the wind-up of a subsidiary (note 2) corporation	105		g		
Current-year non-capital loss (from amount G)	110	1,317,147	h		
Subtotal (amount g **plus** amount h)		1,317,147	▶	1,317,147	I
Subtotal (amount H **plus** amount I)				1,317,147	J

Note 1: A non-capital loss expires as follows:

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

An allowable business investment loss becomes a net capital loss after **10** tax years if it arose in a tax year ending after March 22, 2004.

Note 2: Subsidiary is defined in subsection 88(1) as a taxable Canadian corporation of which 90% or more of each class of issued shares are owned by its parent corporation and the remaining shares are owned by persons that deal at arm's length with the parent corporation.

Part 1 – Non-capital losses (continued)

Deduct:

Other adjustments (includes adjustments for an acquisition of control)	150		i		
Section 80 – Adjustments for forgiven amounts	140		j		
Subsection 111(10) – Adjustments for fuel tax rebate			j.1		
Non-capital losses of previous tax years applied in the current tax year Enter amount k on line 331 of the T2 Return.	130		k		
Current and previous year non-capital losses applied against current-year taxable dividends subject to Part IV tax (note 3)	135		l		
Subtotal (total of amounts i to l)			►		K
Non-capital losses before any request for a carryback (amount J **minus** amount K)				1,317,147	L

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

First previous tax year to reduce taxable income	901		m		
Second previous tax year to reduce taxable income	902	793,053	n		
Third previous tax year to reduce taxable income	903		o		
First previous tax year to reduce taxable dividends subject to Part IV tax	911		p		
Second previous tax year to reduce taxable dividends subject to Part IV tax	912		q		
Third previous tax year to reduce taxable dividends subject to Part IV tax	913		r		
Total of requests to carry back non-capital losses to previous tax years (total of amounts m to r)		793,053	►	793,053	M
Closing balance of non-capital losses to be carried forward to future tax years (amount L **minus** amount M)	180			524,094	N

Note 3: Amount l is the total of lines 330 and 335 from Schedule 3, *Dividends Received, Taxable Dividends Paid, and Part IV Tax Calculation*.

Part 2 – Capital losses

Continuity of capital losses and request for a carryback

Capital losses at the end of the previous tax year	200		a		
Capital losses transferred on an amalgamation or on the wind-up of a subsidiary corporation	205		b		
Subtotal (amount a **plus** amount b)			►		A
Deduct:					
Other adjustments (includes adjustments for an acquisition of control)	250		c		
Section 80 – Adjustments for forgiven amounts	240		d		
Subtotal (amount c **plus** amount d)			►		B
Subtotal (amount A **minus** amount B)					C
Add: Current-year capital loss (from the calculation on Schedule 6, *Summary of Dispositions of Capital Property*)	210				D
Unused non-capital losses that expired in the tax year (note 4)			e		
Allowable business investment losses (ABILs) that expired as non-capital losses at the end of the previous tax year (note 5)			f		
Enter amount e or f, whichever is less	215		g		
ABILs expired as non-capital losses: line 215 **multiplied** by 2.000000	220				E
Subtotal (total of amounts C to E)					F

Note

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

Note 4: If the loss was incurred in a tax year ending after March 22, 2004, determine the amount of the loss from the 11th previous tax year and enter the part of that loss that was not used in previous years and the current year on line e.

Note 5: If the ABILs were incurred in a tax year ending after March 22, 2004, enter the amount of the ABILs from the 11th previous tax year. Enter the full amount on line f.

Part 2 – Capital losses (continued)

Deduct: Capital losses from previous tax years applied against the current-year net capital gain (note 6)			225	G
Capital losses before any request for a carryback (amount F **minus** amount G)				H

Deduct – **Request to carry back capital loss to** (note 7):

	Capital gain (100%)		Amount carried back (100%)	
First previous tax year		951		h
Second previous tax year		952		i
Third previous tax year		953		j
Subtotal (total of amounts h to j)				I
Closing balance of capital losses to be carried forward to future tax years (amount H **minus** amount I)		280		J

Note 6: To get the net capital losses required to reduce the taxable capital gain included in the net income (loss) for the current-year tax, enter the amount from line 225 **divided** by 2 at line 332 of the T2 return.

Note 7: On line 225, 951, 952, or 953, whichever applies, enter the actual amount of the loss. When the loss is applied, divide this amount by 2. The result represents the 50% inclusion rate.

Part 3 – Farm losses

Continuity of farm losses and request for a carryback

Farm losses at the end of the previous tax year			a	
Deduct: Farm loss expired (note 8)	300		b	
Farm losses at the beginning of the tax year (amount a **minus** amount b)	302			A
Add:				
Farm losses transferred on an amalgamation or on the wind–up of a subsidiary corporation	305		c	
Current-year farm loss (amount F in Part 1)	310		d	
Subtotal (amount c **plus** amount d)				B
Subtotal (amount A **plus** amount B)				C
Deduct:				
Other adjustments (includes adjustments for an acquisition of control)	350		e	
Section 80 – Adjustments for forgiven amounts	340		f	
Farm losses of previous tax years applied in the current tax year Enter amount g on line 334 of the T2 Return.	330		g	
Current and previous year farm losses applied against current-year taxable dividends subject to Part IV tax (note 9)	335		h	
Subtotal (total of amounts e to h)				D
Farm losses before any request for a carryback (amount C **minus** amount D)				E
Deduct – **Request to carry back farm loss to:**				
First previous tax year to reduce taxable income	921		i	
Second previous tax year to reduce taxable income	922		j	
Third previous tax year to reduce taxable income	923		k	
First previous tax year to reduce taxable dividends subject to Part IV tax	931		l	
Second previous tax year to reduce taxable dividends subject to Part IV tax	932		m	
Third previous tax year to reduce taxable dividends subject to Part IV tax	933		n	
Subtotal (total of amounts i to n)				F
Closing balance of farm losses to be carried forward to future tax years (amount E **minus** amount F)	380			G

Note 8: A farm loss expires as follows:
- after **10** tax years if it arose in a tax year ending before 2006; and
- after **20** tax years if it arose in a tax year ending after 2005.

Note 9: Amount h is the total of lines 340 and 345 from Schedule 3.

Part 4 – Restricted farm losses

Current-year restricted farm loss

Total losses for the year from farming business			**485**	A
Minus the deductible farm loss:				
(amount A above ______ – $2,500) **divided** by 2 =		a		
Amount a or $ 15,000 (note 10), whichever is less		▶		b
	2,500	c		
Subtotal (amount b **plus** amount c)	2,500	▶	2,500	B
Current-year restricted farm loss (amount A **minus** amount B)				C

Continuity of restricted farm losses and request for a carryback

Restricted farm losses at the end of the previous tax year			d	
Deduct: Restricted farm loss expired (note 11)	**400**		e	
Restricted farm losses at the beginning of the tax year (amount d **minus** amount e)	**402**		▶	D
Add:				
Restricted farm losses transferred on an amalgamation or on the wind-up of a subsidiary corporation	**405**		f	
Current-year restricted farm loss (from amount C)	**410**		g	
Enter amount g on line 233 of Schedule 1, *Net Income (Loss) for Income Tax Purposes*.				
Subtotal (amount f **plus** amount g)			▶	E
Subtotal (amount D **plus** amount E)				F
Deduct:				
Restricted farm losses from previous tax years applied against current farming income	**430**		h	
Enter amount h on line 333 of the T2 return.				
Section 80 – Adjustments for forgiven amounts	**440**		i	
Other adjustments	**450**		j	
Subtotal (total of amounts h to j)			▶	G
Restricted farm losses before any request for a carryback (amount F **minus** amount G)				H
Deduct – Request to carry back restricted farm loss to:				
First previous tax year to reduce farming income	**941**		k	
Second previous tax year to reduce farming income	**942**		l	
Third previous tax year to reduce farming income	**943**		m	
Subtotal (total of amounts k to m)			▶	I
Closing balance of restricted farm losses to be carried forward to future tax years (amount H **minus** amount I)	**480**			J

Note

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

Note 10: For tax years that end before March 21, 2013, use $6,250 instead of $15,000.

Note 11: A restricted farm loss expires as follows:

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

Part 5 – Listed personal property losses

Continuity of listed personal property loss and request for a carryback

Listed personal property losses at the end of the previous tax year			a		
Deduct: Listed personal property loss expired after 7 tax years	500		b		
Listed personal property losses at the beginning of the tax year (amount a **minus** amount b)	502		▶		A
Add: Current-year listed personal property loss (from Schedule 6)				510	B
Subtotal (amount A **plus** amount B)					C
Deduct:					
Listed personal property losses from previous tax years applied against listed personal property gains	530		c		
Enter amount c on line 655 of Schedule 6.					
Other adjustments	550		d		
Subtotal (amount c **plus** amount d)			▶		D
Listed personal property losses remaining before any request for a carryback (amount C **minus** amount D)					E
Deduct – **Request to carry back listed personal property loss to:**					
First previous tax year to reduce listed personal property gains	961		e		
Second previous tax year to reduce listed personal property gains	962		f		
Third previous tax year to reduce listed personal property gains	963		g		
Subtotal (total of amounts e to g)			▶		F
Closing balance of listed personal property losses to be carried forward to future tax years (amount E **minus** amount F)				580	G

Part 7 – Limited partnership losses

Current-year limited partnership losses

	1	2	3	4	5	6	7
	Partnership account number 600	Tax year ending yyyy/mm/dd 602	Corporation's share of limited partnership loss 604	Corporation's at-risk amount 606	Total of corporation's share of partnership investment tax credit, farming losses, and resource expenses 608	Column 4 **minus** column 5 (if negative, enter "0")	Current-year limited partnership losses (column 3 **minus** column 6) 620
1.							
						Total (enter this amount on line 222 of Schedule 1)	

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

	1	2	3	4	5	6	7
	Partnership account number 630	Tax year ending yyyy/mm/dd 632	Limited partnership losses at the end of the previous tax year and amounts transferred on an amalgamation or on the wind-up of a subsidiary 634	Corporation's at-risk amount 636	Total of corporation's share of partnership investment tax credit, business or property losses, and resource expenses 638	Column 4 **minus** column 5 (if negative, enter "0")	Limited partnership losses that may be applied in the year (the lesser of columns 3 and 6) 650
1.							

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

	1	2	3	4	5	6
	Partnership account number 660	Limited partnership losses at the end of the previous tax year 662	Limited partnership losses transferred in the year on an amalgamation or on the wind-up of a subsidiary 664	Current-year limited partnership losses (from line 620) 670	Limited partnership losses applied in the current year (must be equal to or less than line 650) 675	Current year limited partnership losses closing balance to be carried forward to future years (column 2 **plus** column 3 **plus** column 4 **minus** column 5) 680
1.						
				Total (enter this amount on line 335 of the T2 return)		

Note

If you need more space, you can attach more schedules.

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

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

In the case of the wind-up of a subsidiary, if the election is made, the non-capital loss, restricted farm loss, farm loss, or limited partnership loss of the subsidiary—that otherwise would become the loss of the parent corporation for a particular tax year starting after the wind–up began—will be considered as the loss of the parent corporation for its immediately preceding tax year and not for the particular year.

Note

This election is only applicable for wind-ups under subsection 88(1) that are reported on Schedule 24, *First-Time Filer after Incorporation, Amalgamation, or Winding-up of a Subsidiary into a Parent*.

Non-Capital Loss Continuity Workchart

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

Non-capital losses – losses that can be carried forward over 20 years

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce		Balance at end of year
					Taxable income	Part IV tax	
Current	N/A	1,317,147		793,053	N/A		524,094
1st preceding taxation year 2016-12-31		N/A		N/A			
2nd preceding taxation year 2015-12-31		N/A		N/A			
3rd preceding taxation year 2014-12-31		N/A		N/A			
4th preceding taxation year 2013-12-31		N/A		N/A			
5th preceding taxation year 2012-12-31		N/A		N/A			
6th preceding taxation year 2011-12-31		N/A		N/A			
7th preceding taxation year 2010-12-31		N/A		N/A			
8th preceding taxation year 2009-12-31		N/A		N/A			
9th preceding taxation year 2008-12-31		N/A		N/A			
10th preceding taxation year 2007-12-31		N/A		N/A			
11th preceding taxation year 2006-12-31		N/A		N/A			
12th preceding taxation year 2005-12-31		N/A		N/A			
13th preceding taxation year 2004-12-31		N/A		N/A			
14th preceding taxation year 2003-12-31		N/A		N/A			
15th preceding taxation year 2002-12-31		N/A		N/A			
16th preceding taxation year 2001-12-31		N/A		N/A			
17th preceding taxation year		N/A		N/A			
18th preceding taxation year		N/A		N/A			
19th preceding taxation year		N/A		N/A			
20th preceding taxation year		N/A		N/A			*
Total		1,317,147		793,053			524,094

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

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Schedule 5

Tax Calculation Supplementary – Corporations

Corporation's name	Business Number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2017-12-31

- Use this schedule if, during the tax year, your corporation:
  - had a permanent establishment in more than one jurisdiction (corporations that have no taxable income should only complete columns A, B and D in Part 1);
  - is claiming provincial or territorial tax credits or rebates (see Part 2); or
  - has to pay taxes, other than income tax, for Newfoundland and Labrador, or Ontario (see Part 2).
- All legislative references to the *Income Tax Regulations*.
- For more information, see the *T2 Corporation – Income Tax Guide.*
- Enter the regulation number in field 100 of Part 1.

Part 1 – Allocation of taxable income

100 Enter the Regulation that applies (402 to 413).

A Jurisdiction Tick yes if the corporation had a permanent establishment in the jurisdiction during the tax year.*		B Total salaries and wages paid in jurisdiction	C (B x taxable income) / G	D Gross revenue	E (D x taxable income) / H	F Allocation of taxable income (C + E) x 1/2** (where either G or H is nil, do not multiply by 1/2)
Newfoundland and Labrador	003 1 Yes	103		143		
Newfoundland and Labrador Offshore	004 1 Yes	104		144		
Prince Edward Island	005 1 Yes	105		145		
Nova Scotia	007 1 Yes	107		147		
Nova Scotia Offshore	008 1 Yes	108		148		
New Brunswick	009 1 Yes	109		149		
Quebec	011 1 Yes	111		151		
Ontario	013 1 Yes	113		153		
Manitoba	015 1 Yes	115		155		
Saskatchewan	017 1 Yes	117		157		
Alberta	019 1 Yes	119		159		
British Columbia	021 1 Yes	121		161		
Yukon	023 1 Yes	123		163		
Northwest Territories	025 1 Yes	125		165		
Nunavut	026 1 Yes	126		166		
Outside Canada	027 1 Yes	127		167		
Total		129 G		169 H		

* "Permanent establishment" is defined in subsection 400(2).

** For corporations other than those described under section 402, use the appropriate calculation described in the Regulations to allocate taxable income.

Notes:

1. After determining the allocation of taxable income, you have to calculate the corporation's provincial or territorial tax payable. For more information on how to calculate the tax for each province or territory, see the instructions for Schedule 5 in the *T2 Corporation – Income Tax Guide*.
2. If the corporation has provincial or territorial tax payable, complete Part 2.
3. If the corporation is a member of a partnership and the partnership had a permanent establishment in a jurisdiction, select the jurisdiction in Column A and include your proportionate share of the partnership's salaries and wages and gross revenue in columns B and D, respectively.

Part 2 – Ontario tax payable, tax credits, and rebates

Total taxable income	Income eligible for small business deduction	Provincial or territorial allocation of taxable income	Provincial or territorial tax payable before credits

Ontario basic income tax (from Schedule 500)	270				
Ontario small business deduction (from Schedule 500)	402				
Subtotal (line 270 **minus** line 402)			►		5A
Ontario additional tax re Crown royalties (from Schedule 504)	274				
Ontario transitional tax debits (from Schedule 506)	276				
Recapture of Ontario research and development tax credit (from Schedule 508)	277				
Subtotal (total of lines 274 to 277)			►		5B
Gross Ontario tax (amount 5A **plus** amount 5B)					5C
Ontario resource tax credit (from Schedule 504)	404				
Ontario tax credit for manufacturing and processing (from Schedule 502)	406				
Ontario foreign tax credit (from Schedule 21)	408				
Ontario credit union tax reduction (from Schedule 500)	410				
Ontario political contributions tax credit (from Schedule 525)	415				
Ontario non-refundable tax credits (total of lines 404 to 415)			►		5D
Subtotal (amount 5C **minus** amount 5D) (if negative, enter "0")					5E
Ontario research and development tax credit (from Schedule 508)	416				
Ontario corporate income tax payable before Ontario corporate minimum tax credit and Ontario community food program donation tax credit for farmers (amount 5E **minus** line 416) (if negative, enter "0")					5F
Ontario corporate minimum tax credit (from Schedule 510)	418				
Ontario community food program donation tax credit for farmers (from Schedule 2)	420				
Ontario corporate income tax payable (amount 5F **minus** the total of lines 418 and 420) (if negative enter "0")					5G
Ontario corporate minimum tax (from Schedule 510)	278	5,373			
Ontario special additional tax on life insurance corporations (from Schedule 512)	280				
Subtotal (line 278 **plus** line 280)		5,373	►	5,373	5H
Total Ontario tax payable before refundable tax credits (amount 5G **plus** amount 5H)				5,373	5I
Ontario qualifying environmental trust tax credit	450				
Ontario co-operative education tax credit (from Schedule 550)	452	8,613			
Ontario apprenticeship training tax credit (from Schedule 552)	454				
Ontario computer animation and special effects tax credit (from Schedule 554)	456				
Ontario film and television tax credit (from Schedule 556)	458				
Ontario production services tax credit (from Schedule 558)	460				
Ontario interactive digital media tax credit (from Schedule 560)	462				
Ontario sound recording tax credit (from Schedule 562)	464				
Ontario book publishing tax credit (from Schedule 564)	466				
Ontario innovation tax credit (from Schedule 566)	468				
Ontario business-research institute tax credit (from Schedule 568)	470				
Ontario refundable tax credits (total of lines 450 to 470)		8,613	►	8,613	5J
Net Ontario tax payable or refundable tax credit (amount 5I **minus** amount 5J) (if a credit, enter a negative amount) Include this amount on line 255.	290			-3,240	

Summary

Enter the total net tax payable or refundable tax credits for all provinces and territories on line 255.

Net provincial and territorial tax payable or refundable tax credits . . . . . 255 -3,240

If the amount on line 255 is positive, enter the net provincial and territorial tax payable on line 760 of the T2 return.
If the amount on line 255 is negative, enter the net provincial and territorial refundable tax credits on line 812 of the T2 return.

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Schedule 7

Aggregate Investment Income and Active Business Income

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2017-12-31

- Use this schedule if you are a Canadian-controlled private corporation (CCPC) to calculate:
  - your aggregate investment income and foreign investment income, as defined in subsection 129(4), to determine the refundable portion of Part I tax;
  - your **specified partnership income**, if you are a member or **designated member** of one or more partnerships as defined under subsection 125(7); and
  - your income from an active business carried on in Canada eligible for the small business deduction including any **specified corporate income** as defined in subsection 125(7).
- Use this schedule if another CCPC is making an assignment of business limit under subsection 125(3.2) to you.
- Use this schedule if you are a member of a partnership to assign **specified partnership business limit** to a **designated member** under subsection 125(8). **Note**: If you are a corporation that is not a CCPC, **only** complete Table 1 (columns A1, B1, C1, G1, H1 and J1) and Table 3 to make this assignment.
- All legislative references are to the *Income Tax Act*.
- For more information, see **Small Business Deduction** and **Refundable Portion of Part I Tax** in Guide T4012, *T2 Corporation – Income Tax Guide*.
- All notes with regards to this form can be found at the bottom of the form.

Part 1 – Aggregate investment income

Aggregate investment income is all **world** source income.

Description	Line	Amount	Line/Total	
Eligible portion of taxable capital gains for the year			002	
Eligible portion of allowable capital losses for the year (including allowable business investment losses)	012			
Net capital losses of previous years claimed on line 332 on the T2 return	022			
Subtotal (line 012 **plus** line 022)				A
Line 002 **minus** amount A (if negative, enter "0")				B
Total income from property (include income from a specified investment business carried on in Canada other than income from a source outside Canada)	032	11,000		
Exempt income	042			
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for the year	052			
Taxable dividends deductible (total of column F on Schedule 3 **minus** related expenses)	062			
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)	072			
Subtotal (**add** lines 042, 052, 062 and 072)				C
Subtotal (line 032 **minus** amount C)		11,000	11,000	D
Amount B **plus** amount D			11,000	E
Total losses from property (include losses from a specified investment business carried on in Canada other than a loss from a source outside Canada)	082			
Amount E **minus** line 082 (if negative, enter "0") (enter on line 440 of the T2 return)	092		11,000	

Part 2A – Canadian investment income calculation

Eligible portion of taxable capital gains for the year before taking into account the capital gains reserve (federal) of Schedule 13		1.1		
Reserve's eligible portion (addition/deduction)		1.2		
Taxable capital gains under section 34.2 (line 275 on Schedule 73)		1.3		
Eligible portion of taxable capital gains for the year after taking into account the capital gains reserve from Schedule 13 and the taxable capital gains under section 34.2 (**add** amounts 1.1, 1.2, and 1.3)		▶		1a
Eligible portion of allowable capital losses for the year (including allowable business investment losses)		2.1		
Net capital losses of previous years claimed on line 332 on the T2 return		2.2		
Allowable capital losses under section 34.2 (line 285 of Schedule 73)		2.3		
Add amounts 2.1, 2.2 and 2.3		▶		2a
Amount 1a **minus** amount 2a (if negative, enter "0")				3a
Taxable dividends		4.1		
Rental property income (under regulation 1100(11))		4.2		
Other property income	11,000	4.3		
Property income under section 34.2 (line 280 of Schedule 73)		4.4		
Total property income from **Canadian** sources **(add** amounts 4.1, 4.2, 4.3 and 4.4)	11,000	▶	11,000	4a
Exempt income		5.1		
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for the year		5.2		
Taxable dividends deductible (total of column F on Schedule 3 **minus** related expenses)		5.3		
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)		5.4		
Add amounts 5.1, 5.2, 5.3 and 5.4		▶		5a
Amount 4a **minus** amount 5a			11,000	6a
Amount 3a **plus** amount 6a			11,000	7a
Rental property losses (under regulation 1100(11))		8.1		
Dividend losses		8.2		
Other property losses		8.3		
Property losses under section 34.2 (line 280 of Schedule 73)		8.4		
Total property losses from **Canadian** sources **(add** amounts 8.1, 8.2, 8.3 and 8.4)		▶		8a
Amount 7a **minus** amount 8a (if negative, enter "0")			11,000	9a

Part 2 – Foreign investment income

Foreign investment income is all income from sources **outside Canada**.

Eligible portion of taxable capital gains for the year before taking into account the capital gains reserve (federal) of Schedule 13 . . . . a1

Reserve's eligible portion (addition/deduction) a2

Taxable capital gains under section 34.2 (line 275 of Schedule 73)* a3

Eligible portion of taxable capital gains for the year after taking into account the capital gains reserve (federal) of Schedule 13 and taxable capital gains under section 34.2 (**add** amounts a1, a2, and a3) . . . . ► **001**

Allowable capital losses for the year b1

Allowable capital losses under section 34.2 (line 285 of Schedule 73)* b2

Eligible portion of allowable capital losses for the year (including allowable business investment losses) (**Add** amounts b1 and b2) . . . . ► **009**

Subtotal (line 001 **minus** line 009) (if negative, enter "0") F

Taxable dividends c1

Rental property income (under regulation 1100(11)) c2

Other property income c3

Property income under section 34.2 (line 280 of Schedule 73)* c4

Total income from property from a source **outside Canada** (net of related expenses) (**add** amounts c1, c2, c3 and c4) . . . ► **019**

Exempt income **029**

Taxable dividends deductible (total of column F on Schedule 3 **minus** related expenses) **049**

Business income from an interest in a trust that is considered property income under paragraph 108(5)(a) . **059**

Subtotal (**add** lines 029, 049, and 059) ► G

Subtotal (line 019 **minus** amount G) ► H

Amount F **plus** amount H I

Rental property losses (under regulation 1100(11)) d1

Dividend losses d2

Other property losses d3

Property losses under section 34.2 (line 280 of Schedule 73)* d4

Total losses from property from a source **outside Canada** (**add** amounts d1, d2, d3 and d4) . . . ► **069**

Amount I **minus** line 069 (if negative, enter "0") (enter on line 445 of the T2 return) **079**

* When an amount is entered on these lines, the amounts calculated for the taxable capital gains or allowable capital losses on lines 1.3 and 2.3 as well as property income or losses on lines 4.4 and 8.4 in Part 2A, "Canadian investment income calculation" are automatically updated. For more details, press F1 to consult the Help.

Net taxable dividends	Canadian	Foreign	Total
Taxable dividends deducted per schedule 3			
Less: Expenses related to such dividends			
Total expenses			
Net taxable dividends			

Part 3 – Specified partnership income

Table 1 – Specified partnership income

A	A1	1A
Is the corporation a designated member of the partnership?	Partnership name 200	Partnership's account number
Yes ☐ No ☐		

B1	C1	D1	1D	2D	E1	F1
Total income (loss) of partnership from an active business 300	Corporation's share of amount in column B1 310	Income of the corporation from providing (directly or indirectly) services or property to the partnership note 1 311	Adjustments under section 34.2 note 2	Expenses the corporation incurred to earn partnership income	Adjustments (column 1D **minus** column 2D) 315	Corporation's income (loss) in respect of the partnership note 3 (**add** columns C1, D1 and E1) 320

Total 350

G1	H1	I1	J1	K1	L1	M1
Number of days in the partnership's fiscal period 325	Prorated business limit notes 3 and 4 (column C1 ÷ column B1) × [$ 500 000 × (column G1 ÷ 365)] (if column C1 is negative, enter "0") 330	Specified partnership business limit **assigned to you** (from H2 in Table 2) notes 1, 6 and 7 335	Specified partnership business limit **assigned by you** from F3 in Table 3) notes 1, 6 and 8 336	Specified partnership business limit amount (column H1 **plus** column I1 **minus** column J1)	Column F1 **minus** column K1 (if negative, enter "0")	Lesser of columns F1 and K1 (if column F1 is negative, enter "0") notes 5 340

Total 385 360

Corporation's losses for the year from an active business carried on in Canada (other than as a member of a partnership) – enter as a positive amount 370

Specified partnership loss of the corporation for the year – enter as a positive amount (total of all negative amounts in column F1) 380

Subtotal (line 370 **plus** line 380) J

Amount at line 385 or amount J, whichever is less 390

Specified partnership income (line 360 **plus** line 390) 400
(enter at amount N in Part 4)

Part 3 – Specified partnership income (continued)

Tables 2 and 3 are used to make an assignment of **specified partnership business limit** under subsection 125(8). A person that is a member of a partnership can make an assignment of **specified partnership business limit** under subsection 125(8) to a **designated member** for any tax year that **starts after** March 21, 2016. Also, that person can make an assignment for its tax year that **starts before** March 22, 2016 and **ends after** March 21, 2016 if the tax year of the **designated member starts after** March 21, 2016.

If you are a designated member and **receiving** specified partnership business limit from a person that is a member of the partnership, complete Table 2.

If you are a member of the partnership and **assigning** specified partnership business limit to a designated member, complete Table 3.

Table 2 – A member is assigning to you specified partnership business limit under subsection 125(8)

A2	2A	B2
Partnership name 405	Partnership's account number	Name of the member 406

C2	D2	E2	F2	G2	H2
Business number of the member (if applicable) 410	Social insurance number of the member (if applicable) 411	Trust account number of the member (if applicable) 412	Tax year start of the member (yyyymmdd) 415	Tax year-end of the member (yyyymmdd) 416	Specified partnership business limit assigned to you by the member note 9 420

Table 3 – You are assigning to a designated member (CCPC) specified partnership business limit under subsection 125(8)

A3	3A	B3
Partnership name 425	Partnership's account number	Name of the designated member 426

C3	D3	E3	F3
Business number of the designated member 430	Tax year start of the designated member 435	Tax year-end of the designated member (yyyymmdd) 436	Specified partnership business limit assigned by you to the designated member note 10 440

Part 4 – Partnership income not eligible for the small business deduction

Corporation's income from active businesses carried on in Canada as a member or designated member of a partnership (after deducting related expenses) – from line 350 in Part 3 (if the net amount is negative, enter "0" on line 450)		K
Specified partnership loss (from line 380 in Part 3)		L
Subtotal (amount K **plus** amount L)		M
Specified partnership income (from line 400 in Part 3)		N
Partnership income not eligible for the small business deduction (amount M **minus** amount N) (enter at amount V in Part 5)	450	

Part 5 – Income from active business carried on in Canada

Net income for income tax purposes from line 300 of the T2 return		-1,317,147	O		
Allowable business investment loss from line 406 of Schedule 1			P		
Subtotal (amount O **plus** amount P)		-1,317,147	▶	-1,317,147	Q
Foreign business income after deducting related expenses note 11	500				
Taxable capital gains from line 113 of Schedule 1			R		
Net property income (line 032 note 12 **minus** the total of lines 042, 052 and 082 in Part 1) note 11		11,000	S		
Personal services business income after deducting related expenses note 11	e1				
Other income after deducting related expenses note 11	e2				
Subtotal (amount e1 **plus** amount e2) note 11	▶ 520				
Subtotal (**add** line 500, amount R, amount S and line 520)		11,000	▶	11,000	T
Net amount (amount Q **minus** amount T)				-1,328,147	U
Partnership income not eligible for the small business deduction (line 450 in Part 4)			V		
Partnership income allocated to your corporation under subsection 96(1.1)	530				
Income referred to in clause 125(1)(a)(i)(C)	540				
Income referred to in clause 125(1)(a)(i)(B) (from line 615 in Part 6)			W		
Subtotal (**add** amount V, line 530, line 540 and amount W)			▶		X
Specified corporate income (from line 625 in Part 6)					Y
Income from active business carried on in Canada (amount U **minus** amount X **plus** amount Y) (enter amount Z on line 400 of the T2 return - if negative, enter "0")					Z

Part 6 – Specified corporate income and assignment under subsection 125(3.2)

Applies to tax years that begin after March 21, 2016.

A CCPC can also make an assignment of business limit to you for its tax year that **starts before** March 22, 2016, and **ends after** March 21, 2016, if your tax **year starts** after March 21, 2016.

	1AA Name of the corporation	**AA** Business number of the corporation 600	**BB** Income described under clause 125(1)(a)(i)(B) received from the corporation identified in column AA note 13 610	**CC** Business limit assigned **from** the corporation identified in column AA note 14 620
1				
			Total 615	Total 625

Notes

Note 1 Applies to tax years that **begin after** March 21, 2016. For tax years beginning before March 22, 2016 leave blank.

Note 2 Do **not** include expenses that were deducted in computing the income of the corporation in column D1.

In general, amounts included under subsections 34.2(2) and 34.2(3) or claimed under subsection 34.2(4) are deemed to have the **same character** and be in the **same proportions** as the partnership income they relate to. Amounts claimed under subsection 34.2(11) and included under subsection 34.2(12) are deemed to have the **same character** and be in the **same proportions** as the qualifying transitional income. For example, if a corporation receives $100,000 of partnership income for the partnership's fiscal period ending in its tax year, and that income is made up of $40,000 of active business income, $30,000 of income from property, and $30,000 as a taxable capital gain, the corporation's adjusted stub period accrual (ASPA) in respect of the partnership would be 40% active business income, 30% property income, and 30% taxable capital gains. Add or deduct only the portion of the following amounts that are characterized as **active business income** in accordance with subsection 34.2(5):

Add:

- the ASPA under subsection 34.2(2) (column 4 of Schedule 73)
- the income inclusion for a new corporate member of a partnership under subsection 34.2(3) (column 6 of Schedule 73)
- the previous-year transitional reserve under subsection 34.2(12) (column 12 of Schedule 73)

Deduct:

- the previous-year ASPA under subsection 34.2(4) (column 5 of Schedule 73)
- the previous-year income inclusion for a new corporate member of a partnership under subsection 34.2(4) (column 7 of Schedule 73)
- the current-year transitional reserve under subsection 34.2(11) (column 11 of Schedule 73)

Note 3 When a partnership carries on more than one business, one of which generates income and another of which realizes a loss, the loss is **not** netted against the partnership's income when calculating the prorated business limit (column H1). Enter on line 380 the total of all losses from column F1.

Note 4 For tax years that begin after March 21, 2016, **if** you are a **designated member** of the partnership, enter "0".

Note 5 For tax years that begin after March 21, 2016, you must enter "0" **if** the partnership provides services or property to either:

(A) a private corporation (directly or indirectly in any manner whatever) in the year, if:

- you (or one of your shareholders) or a person that does **not** deal at arm's length with you (or one of your shareholders) holds a direct or indirect interest in the private corporation, and
- it is not the case that all or substantially all of the partnership's income for the year from an active business is from providing services or property to
  - persons (other than the private corporation) that deal at arm's length with the partnership and each person that holds a direct or indirect interest in the partnership, or
  - partnerships with which the partnership deals at arm's length, other than a partnership in which a person that does **not** deal at arm's length with you holds a direct or indirect interest, or

(B) a particular partnership (directly or indirectly in any manner whatever) in the year, if:

- you (or one of your shareholders) do **not** deal at arm's length with the particular partnership or a person that holds a direct or indirect interest in the particular partnership, and
- it is not the case that all or substantially all of the partnership's income for the year from an active business is from providing services or property to
  - persons that deal at arm's length with the partnership and each person that holds a direct or indirect interest in the partnership, or
  - partnerships (other than the particular partnership) with which the partnership deals at arm's length, other than a partnership in which a person that does **not** deal at arm's length with you holds a direct or indirect interest.

Note 6 A person that is a member of a partnership can make an assignment of **specified partnership business limit** under subsection 125(8) to a **designated member** for any tax year that **starts after** March 21, 2016. Also, that person can make an assignment for its tax year that **starts before** March 22, 2016 and **ends after** March 21, 2016 if the tax year of the **designated member starts after** March 21, 2016.

Note 7 If you are a **designated member** receiving an assignment of **specified partnership business limit,** complete Table 2 to determine the amounts to enter in Table 1 column I1.

Note 8 If you are a corporation that is a **member** of the partnership and you are assigning **specified partnership business limit**, complete Table 3 to determine the amounts to enter in Table 1 column J1.

Note 9 Add the amounts in column H2 that are for the same partnership and enter it in Table 1 column I1, in the row of the applicable partnership.

Note 10 Add the amounts in column F3 that are for the same partnership and enter it in Table 1 column J1, in the row of the applicable partnership. This amount **cannot** be higher than the amount of prorated business limit you would otherwise be entitled to in Table 1 column H1 for that partnership.

Note 11 If negative, enter amount in brackets, and **add** instead of subtracting.

Note 12 Net of related expenses.

Note 13 This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts, each of which is your income from an active business for the year from providing services or property to a private corporation (directly or indirectly, in any manner whatever) if

(A) at any time in the year, you (or one of your shareholders) or a person that does **not** deal at arm's length with you (or one of your shareholders) holds a direct or indirect interest in the private corporation, and

(B) it is not the case that all or substantially all of your income for the year from an active business is from providing services or property to

(I) persons (other than the private corporation) with which you deal at arm's length, or

(II) partnerships with which you deal at arm's length, other than a partnership in which a person that does **not** deal at arm's length with you holds a direct or indirect interest.

Do **not** include income from an associated corporation if the conditions described in subsection 125(10) are met.

Note 14 The amount of business limit that a CCPC can assign to you cannot be greater than the amount in column BB that is from providing services or property **directly** to that CCPC. If there is an amount included in column BB that is deductible by that CCPC in respect of the amount of its income referred to in clause 125(1)(a)(i)(A) or (B) for its tax year, you need to deduct it from column BB for the purpose of determining the amount that can be assigned to you.

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Schedule 8

Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2017-12-31

For more information, see the section called "Capital Cost Allowance" in the *T2 Corporation Income Tax Guide*.

Is the corporation electing under *Regulation* 1101(5q)? **101** Yes [ ] No [X]

	1 Class number * **200**	Description	2 Undepreciated capital cost at the beginning of the year (amount from column 12 of last year's schedule 8) **201**	3 Cost of acquisitions during the year (new property must be available for use) (see note 1 below) **203**	4 Adjustments and transfers (see note 2 below) **205**	5 Proceeds of dispositions during the year (amount not to exceed the capital cost) **207**	6 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5) (see note3 below) **211**	7 Reduced undepreciated capital cost (column 2 **plus** column 3 **plus** or **minus** column 4 **minus** column 5 **minus** column 6)	8 CCA rate % (see note 4 below) **212**	9 Recapture of capital cost allowance (line 107 of Schedule 1) (see note 5 below) **213**	10 Terminal loss (line 404 of Schedule 1) **215**	11 Capital cost allowance (for declining balance method, column 7 **multiplied** by column 8, or a lower amount) (line 403 of Schedule 1) (see note 6 below) **217**	12 Undepreciated capital cost at the end of the year (column 6 **plus** column 7 **minus** column 11) **220**
1.	1	Buildings	23,026,423			0		23,026,423	4	0	0	921,057	22,105,366
2.	8	Equipment and tools	2,125,192	62,846		0	31,423	2,156,615	20	0	0	431,323	1,756,715
3.	10	Rolling stock and vehicles	188,637			0		188,637	30	0	0	56,591	132,046
4.	45	Computer equipment and softwa	282			0		282	45	0	0	127	155
5.	47	Electrical energy distribution	23,527,694	3,188,515		631	1,593,942	25,121,636	8	0	0	2,009,731	24,705,847
6.	50	Computer equipment	327,914	229,391		0	114,696	442,609	55	0	0	243,435	313,870
7.	47	WIP	643,873		429,000	0		1,072,873	8	0	0		1,072,873
8.	8	WIP	64,219			0		64,219	20	0	0		64,219
9.	14.1		218,430			0		218,430	5	0	0	15,291	203,139
		Totals	50,122,664	3,480,752	429,000	631	1,740,061	52,291,724				3,677,555	50,354,230

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

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

Note 2. Enter in column 4, "Adjustments and transfers", amounts that increase or reduce the undepreciated capital cost.
Items that **increase** the undepreciated capital cost include amounts transferred under section 85, or transferred on amalgamation or winding-up of a subsidiary. Items that **reduce** the undepreciated capital cost include government assistance received or entitled to be received in the year, or a reduction of capital cost after the application of section 80. See the *T2 Corporation Income Tax Guide* for other examples of adjustments and transfers to include in column 4.

Note 3. The net cost of acquisitions is the cost of acquisitions (column 3) **plus** or **minus** certain adjustments and transfers from column 4. For information on the exceptions to the 50% rule, as well as how to calculate the amounts to enter in column 6 in those cases, see Interpretation Bulletin IT-285, *Capital Cost Allowance - General Comments*.

Note 4. Enter a rate only if you are using the declining balance method. For any other method (for example the straight-line method, where calculations are always based on the cost of acquisitions), enter N/A. Then enter the amount you are claiming in column 11.

Note 5. For every entry in column 9, "Recapture of capital cost allowance", there must be a corresponding entry in column 5, "Proceeds of dispositions during the year". The recapture and terminal loss rules do not apply to passenger vehicles in Class 10.1.

Note 6. If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See the *T2 Corporation Income Tax Guide* for more information.

T2 SCH 8 (17)

Canada

Fixed Assets Reconciliation

Reconciliation of change in fixed assets per financial statements to amounts used per tax return.

Tax return

Additions for tax purposes – Schedule 8 regular classes		3,480,752		
Additions for tax purposes – Schedule 8 leasehold improvements	+			
Operating leases capitalized for book purposes	+			
Capital gain deferred	+			
Recapture deferred	+			
Deductible expenses capitalized for book purposes – Schedule 1	+			
Other (specify):				
Subsection 13(7.4) election	+	979,572		
Additional WIP	+	429,000		
Total additions per books	=	4,889,324	▶	4,889,324
Proceeds up to original cost – Schedule 8 regular classes		631		
Proceeds up to original cost – Schedule 8 leasehold improvements	+			
Proceeds in excess of original cost – capital gain	+			
Recapture deferred – as above	+			
Capital gain deferred – as above	+			
Pre V-day appreciation	+			
Other (specify):				
Amortization expense in distribution - from S(1)	+	100,000		
WIP transferred out	+	13,700		
Total proceeds per books	=	114,331	▶ –	114,331
Depreciation and amortization per accounts – Schedule 1			–	2,418,000
Loss on disposal of fixed assets per accounts			–	53,000
Gain on disposal of fixed assets per accounts			+	
Net change per tax return			=	2,303,993

Financial statements

Fixed assets (excluding land) per financial statements

Closing net book value		64,880,000
Opening net book value	–	62,576,007
Net change per financial statements	=	2,303,993

If the amounts from the tax return and the financial statements differ, explain why below.

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SCHEDULE 9

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
InnPower Corporation	89242 2817 RC0001	2017-12-31

- Complete this schedule if the corporation is related to or associated with at least one other corporation.
- For more information, see the *T2 Corporation Income Tax Guide*.

	Name 100	Country of residence (other than Canada) 200	Business number (see note 1) 300	Relationship code (see note 2) 400	Number of common shares you own 500	% of common shares you own 550	Number of preferred shares you own 600	% of preferred shares you own 650	Book value of capital stock 700
1.	InnServices Utilities Inc.		81689 7326 RC0001	3					
2.	Town of Innisfil		NR	1					
3.	Innterprises Inc.		86556 4595 RC0001	3					

Note 1: Enter "NR" if the corporation is not registered or does not have a business number.
Note 2: Enter the code number of the relationship that applies from the following order: 1 - Parent 2 - Subsidiary 3 - Associated 4 - Related but not associated

T2 SCH 9 (11)

Canada

Continuity of financial statement reserves (not deductible)

Financial statement reserves (not deductible)

	Description	Balance at the beginning of the year	Transfer on an amalgamation or the wind-up of a subsidiary	Add	Deduct	Balance at the end of the year
1	Post retirement benefits	139,779		156,696	139,779	156,696
2						
	Reserves from Part 2 of Schedule 13					
	Totals	139,779		156,696	139,779	156,696

The total opening balance plus the total transfers should be entered on line 414 of Schedule 1 as a deduction.
The total closing balance should be entered on line 126 of Schedule 1 as an addition.

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Schedule 23

Agreement Among Associated Canadian-Controlled Private Corporations to Allocate the Business Limit

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

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

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

Column 3: Enter the association code from the list below that applies to each corporation:

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

Column 4: Enter the business limit for the year of each corporation in the associated group.

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

Column 6: Enter the business limit allocated to each corporation by multiplying the amount in column 4 by the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A.

Ensure that the total at line A does not exceed $500,000.

Allocating the business limit

Date filed (do not use this area) . . . . **025** Year Month Day

Enter the calendar year to which the agreement applies . . . . **050** Year 2017

Is this an amended agreement for the above calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? . . . . **075** 1 Yes [ ] 2 No [X]

	1 Names of associated corporations **100**	2 Business number of associated corporations **200**	3 Association code **300**	4 Business limit for the year before the allocation $	5 Percentage of the business limit % **350**	6 Business limit allocated* $ **400**
1	InnPower Corporation	89242 2817 RC0001	1	500,000	100.0000	500,000
2	InnServices Utilities Inc.	81689 7326 RC0001	1	500,000		
3	Town of Innisfil	NR	1	500,000		
4	Innterprises Inc.	86556 4595 RC0001	1	500,000		
				Total	100.0000	500,000 A

Business limit reduction under subsection 125(5.1) of the Act

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the factors used in this calculation is the "large corporation amount" at line 415 of the T2 return. The amount at line 415 is determined using the formula 0.225% x (D - $10,000,000). Details of this formula and variable D are in subsection 125(5.1) of the Act.

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

Special rules for business limit

Special rules apply under subsection 125(5) if a CCPC has more than one tax year ending in the same calendar year and it is associated in more than one of those tax years with another CCPC that has a tax year ending in that calendar year. The business limit for the second or later tax year will be equal to the business limit determined for the first tax year ending in the calendar year or the business limit determined for the second or later tax year ending in the same calendar year, whichever is less.

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Schedule 31

Investment Tax Credit – Corporations

General information

- Use this schedule:
  - to calculate an investment tax credit (ITC) earned during the tax year;
  - to claim a deduction against Part I tax payable;
  - to claim a refund of credit earned during the current tax year;
  - to claim a carryforward of credit from previous tax years;
  - to transfer a credit following an amalgamation or the wind-up of a subsidiary, as described under subsections 87(1) and 88(1);
  - to request a credit carryback to one or more previous years;
  - if you are subject to a recapture of ITC; or
  - if you are claiming:
    - the **Ontario Research and Development Tax Credit**;
    - the **Ontario Innovation Tax Credit.**
- Unless otherwise stated, all legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- The ITC is eligible for a three-year carryback (if not deductible in the year earned). It is also eligible for a twenty-year carryforward.
- Investments or expenditures, described in subsection 127(9) and Regulation Part XLVI, that earn an ITC are:
  - qualified property and qualified resource property (Parts 4 to 7 of this schedule);
  - qualified scientific research and experimental development (SR&ED) expenditures (Parts 8 to 17). File Form T661, *Scientific Research and Experimental Development (SR&ED) Expenditures Claim*;
  - pre-production mining expenditures (Parts 18 to 20);
  - apprenticeship job creation expenditures (Parts 21 to 23); and
  - child care spaces expenditures (Parts 24 to 28).
    - Expenditures related to child care spaces incurred after March 21, 2017 no longer qualify for the investment tax credit. If you entered into a written agreement before March 22, 2017, eligible expenditures incurred before 2020 will remain eligible for the credit.
- File this schedule with the *T2 Corporation Income Tax Return*. If you need more space, attach additional schedules.
- For more information on ITCs, see "Investment Tax Credit" in Guide T4012, *T2 Corporation – Income Tax Guide* and read Information Circular IC78-4, *Investment Tax Credit Rates*, and its related Special Release.
- For more information on SR&ED, see guide T4088, *Guide to Form T661 – Scientific Research and Experimental Development (SR&ED) Expenditures Claim*.

Detailed information

- For the purpose of this schedule, **investment** means the capital cost of the property (excluding amounts added by an election under section 21), determined without reference to subsections 13(7.1) and 13(7.4), minus the amount of any government or non-government assistance that the corporation has received, is entitled to receive, or can reasonably be expected to receive for that property when it files the income tax return for the year in which the property was acquired.
- An ITC deducted or refunded in a tax year for a depreciable property, other than a depreciable property deductible under paragraph 37(1)(b), reduces both the capital cost of that property and the undepreciated capital cost of that class in the next tax year. An ITC for SR&ED deducted or refunded in a tax year will reduce the balance in the pool of deductible SR&ED expenditures and the adjusted cost base (ACB) of an interest in a partnership in the next tax year. An ITC from pre-production mining expenditures deducted in a tax year reduces the balance in the pool of deductible cumulative Canadian exploration expenses in the next tax year.
- Property acquired has to be **available for use** before a claim for an ITC can be made. See subsections 127(11.2) and 248(19) for more information.
- Expenditures for SR&ED and capital costs for a property qualifying for an ITC must be identified by the claimant on Form T661 and Schedule 31 no later than 12 months after the claimant's income tax return is due for the tax year in which it incurred the expenditures or capital costs.
- Expenditures for pre-production mining, apprenticeship, or child care space for an ITC must be identified by the claimant on Schedule 31 no later than 12 months after the claimant's income tax return is due for the tax year in which it incurred the expenditures or capital costs.
- Partnership allocations – Subsection 127(8) provides for the allocation of the amount that may reasonably be considered to be a partner's share of the ITCs of the partnership at the end of the fiscal period of the partnership. An allocation of ITCs is generally considered to be the partner's reasonable share of the ITCs if it is made in the same proportion in which the partners have agreed to share any income or loss and if section 103 is not applicable for the agreement to share any income or loss. Special rules apply to specified members of a partnership and limited partners. For more information, see Guide T4068, *Guide for the Partnership Information Return*.
- For tax purposes**,** Canada includes the **exclusive economic zone of Canada** as defined in the *Oceans Act* (which generally consists of an area of the sea that is within 200 nautical miles from the Canadian coastline), including the airspace, seabed and subsoil of that zone.
- For the purpose of this schedule, the expression **Atlantic Canada** includes the Gaspé Peninsula and the provinces of Newfoundland and Labrador, Prince Edward Island, Nova Scotia, and New Brunswick, as well as their respective offshore regions (prescribed in Regulation 4609).
- For the purpose of this schedule, **qualified property** means property in Atlantic Canada that is used primarily for manufacturing and processing, farming or fishing, logging, storing grain, or harvesting peat. Property in Atlantic Canada that is used primarily for oil and gas, and mining activities is considered qualified property only if acquired by the taxpayer **before** March 29, 2012. Qualified property includes new buildings and new machinery and equipment (prescribed in Regulation 4600), and if acquired by the taxpayer **after** March 28, 2012, new energy generation and conservation property (prescribed in Regulation 4600). Qualified property can also be used primarily to produce or process electrical energy or steam in a prescribed area (as described in Regulation 4610). See the definition of **qualified property** in subsection 127(9) for more information.

Detailed information (continued)

- For the purpose of this schedule, **qualified resource property** means property in Atlantic Canada that is used primarily for oil and gas, and mining activities, if acquired by the taxpayer **after** March 28, 2012, and **before** January 1, 2016. Qualified resource property includes new buildings and new machinery and equipment (prescribed in Regulation 4600). See the definition of **qualified resource property** in subsection 127(9) for more information.
- For the purpose of this schedule, **pre-production mining exploration expenditures** are pre-production mining expenditures incurred **after** March 28, 2012, by the taxpayer to determine the existence, location, extent, or quality of certain mineral resources in Canada, excluding expenses incurred in the exploration of an oil or gas well. See subparagraph (a)(i) of the definition of **pre-production mining expenditure** in subsection 127(9) for more information.
- For the purpose of this schedule, **pre-production mining development expenditures** are pre-production mining expenditures incurred **after** March 28, 2012, by the taxpayer to bring a new mineral resource mine in Canada into production, excluding expenses in the development of a bituminous sands deposit or an oil shale deposit. See subparagraph (a)(ii) of the definition of **pre-production mining expenditure** in subsection 127(9) for more information.

Part 1 – Investments, expenditures, and percentages

	Specified percentage
Investments	
Qualified property acquired primarily for use in Atlantic Canada	10 %
Qualified resource property acquired primarily for use in Atlantic Canada and acquired:	
– after March 28, 2012, and before 2014	10 %
– after 2013 and before 2016	5 %
– after 2015*	0 %
Expenditures	
If you are a Canadian-controlled private corporation (CCPC), this percentage may apply to the portion that you claim of the SR&ED qualified expenditure pool that does not exceed your expenditure limit (see Part 10)	35 %
Note: If your current year's qualified expenditures are more than your expenditure limit (see Part 10), the excess is eligible for an ITC calculated at the 15 % rate.	
If you are a corporation that is not a CCPC and have incurred qualified expenditures for SR&ED in any area in Canada:	
– before 2014**	20 %
– after 2013**	15 %
If you are a taxable Canadian corporation that incurred pre-production mining expenditures before March 29, 2012	10 %
If you are a taxable Canadian corporation that incurred pre-production mining exploration expenditures:	
– after March 28, 2012, and before 2013	10 %
– in 2013	5 %
– after 2013	0 %
If you are a taxable Canadian corporation that incurred pre-production mining development expenditures***:	
– after March 28, 2012, and before 2014	10 %
– in 2014	7 %
– in 2015	4 %
– after 2015	0 %
If you paid salary and wages to apprentices in the first 24 months of their apprenticeship contract for employment	10 %
If you incurred expenditures after March 18, 2007 and before March 22, 2017 (or before 2020 if you entered into a written agreement before March 22, 2017) for the creation of licensed child care spaces for the children of your employees and, potentially, for other children	25 %

* A transitional relief rate of 10% may apply to property acquired after 2013 and before 2017, if the property is acquired under a written agreement entered into before March 29, 2012, or the property is acquired as part of a **phase** of a project where the construction or the engineering and design work for the construction started before March 29, 2012. See paragraph (a.1) of the definition of **specified percentage** in subsection 127(9) for more information.

** The reduction of the rate from 20% to 15% applies to 2014 and later tax years, except that, for 2014 tax years that start before 2014, the reduction is pro-rated based on the number of days in the tax year that are after 2013.

*** A transitional relief rate may apply to expenditures incurred after 2013 and before 2016, if the expenditure is incurred under a written agreement entered into before March 29, 2012, or the expenditure is incurred as part of the development of a new mine where the construction or the engineering and design work for the construction of the new mine started before March 29, 2012. See subparagraphs (k)(ii) and (iii) of the definition of **specified percentage** in subsection 127(9) for more information.

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2017-12-31

Part 2 – Determination of a qualifying corporation

Is the corporation a qualifying corporation? . . . . **101** 1 Yes [ ] 2 No [X]

For the purpose of a refundable ITC, a **qualifying corporation** is defined under subsection 127.1(2). The corporation has to be a CCPC and its taxable income (before any loss carrybacks) for its previous tax year cannot be more than its **qualifying income limit** for the particular tax year. If the corporation is associated with any other corporations during the tax year, the total of the taxable incomes of the corporation and the associated corporations (before any loss carrybacks), for their last tax year ending in the previous calendar year, cannot be more than their qualifying income limit for the particular tax year.

Note: A CCPC considered associated with another corporation under subsection 256(1) will be considered **not** associated for the calculation of a refundable ITC if:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of both corporations; and
- one of the corporations has at least one shareholder who is not common to both corporations.

If you are a **qualifying** corporation, you will earn a **100%** refund on your share of any ITCs earned at the 35% rate on qualified **current** expenditures for SR&ED, up to the allocated expenditure limit. The 100% refund does not apply to qualified **capital** expenditures eligible for the 35% credit rate. They are only eligible for the **40%** refund*.

Some CCPCs that are **not qualifying** corporations may also earn a **100%** refund on their share of any ITCs earned at the 35% rate on qualified **current** expenditures for SR&ED, up to the allocated expenditure limit. The expenditure limit can be determined in Part 10. The 100% refund does not apply to qualified **capital** expenditures eligible for the 35% credit rate. They are only eligible for the **40%** refund*.

The 100% refund will not be available to a corporation that is an **excluded corporation** as defined under subsection 127.1(2). A corporation is an excluded corporation if, at any time during the year, it is a corporation that is either controlled by (directly or indirectly, in any manner whatever) or is related to:

a) one or more persons exempt from Part I tax under section 149;

b) Her Majesty in right of a province, a Canadian municipality, or any other public authority; or

c) any combination of persons referred to in a) or b) above.

* Capital expenditures incurred after December 31, 2013, including lease payments for property that would have been a capital expenditure if purchased directly, are **not** qualified SR&ED expenditures and are **not** eligible for an ITC on SR&ED expenditures.

Part 3 – Corporations in the farming industry

Complete this area if the corporation is making SR&ED contributions.

Is the corporation claiming a contribution in the current year to an agricultural organization whose goal is to finance SR&ED work (for example, check-off dues)? . . . . **102** 1 Yes [ ] 2 No [X]

If **yes**, complete Schedule 125, *Income Statement Information*, to identify the type of farming industry the corporation is involved in.

Contributions to agricultural organizations for SR&ED* . . . . **103** ________
Enter on line 350 of Part 8.

* Enter only contributions not already included on Form T661.
Include 80% of the contributions made **after** 2012. For contributions made **before** 2013, include all of the contributions.

Qualified Property and Qualified Resource Property

Part 4 – Eligible investments for qualified property and qualified resource property from the current tax year

Capital cost allowance class number **105**	Description of investment **110**	Date available for use **115**	Location used in Atlantic Canada (province) **120**	Amount of investment **125**

Total of investments for qualified property and qualified resource property ________ A1

Part 5 – Current-year credit and account balances – ITC from investments in qualified property and qualified resource property

ITC at the end of the previous tax year				B1
Credit deemed as a remittance of co-op corporations	210			
Credit expired	215			
Subtotal (line 210 **plus** line 215)			▶	C1
ITC at the beginning of the tax year (amount B1 **minus** amount C1)			220	
Credit transferred on an amalgamation or the wind-up of a subsidiary	230			
ITC from repayment of assistance	235			
Qualified property; and qualified resource property acquired after March 28, 2012, and before January 1, 2014* (applicable part from amount A1 in Part 4) x 10 % =	240			
Qualified resource property acquired after December 31, 2013, and before January 1, 2016 (applicable part from amount A1 in Part 4) x 5 % =	242			
Credit allocated from a partnership	250			
Subtotal (total of lines 230 to 250)			▶	D1
Total credit available (line 220 **plus** amount D1)				E1
Credit deducted from Part I tax	260			
Credit carried back to previous years (amount H1 in Part 6)			a	
Credit transferred to offset Part VII tax liability	280			
Subtotal (total of line 260, amount a, and line 280)			▶	F1
Credit balance before refund (amount E1 **minus** amount F1)				G1
Refund of credit claimed on investments from qualified property and qualified resource property (from Part 7)			310	
ITC closing balance of investments from qualified property and qualified resource property (amount G1 **minus** line 310)			320	

* Include investments acquired after 2013 and before 2017 that are eligible for transitional relief.

Part 6 – Request for carryback of credit from investments in qualified property and qualified resource property

	Year	Month	Day			
1st previous tax year				Credit to be applied	901	
2nd previous tax year				Credit to be applied	902	
3rd previous tax year				Credit to be applied	903	

Total of lines 901 to 903
Enter at amount a in Part 5. H1

Part 7 – Refund of ITC for qualifying corporations on investments from qualified property and qualified resource property

Current-year ITCs (total of lines 240, 242, and 250 in Part 5)	I1
Credit balance before refund (from amount G1 in Part 5)	J1
Refund (40 % of amount I1 or J1, whichever is less)	K1

Enter amount K1 or a lesser amount on line 310 in Part 5 (also enter on line 780 of the T2 return if you do not claim an SR&ED ITC refund).

SR&ED

Part 8 – Qualified SR&ED expenditures

Current expenditures (from line 557 on Form T661) 26,709

Contributions to agricultural organizations for SR&ED . . . .

Deduct:

Government assistance, non-government assistance, or contract payment . . . .

Contributions to agricultural organizations for SR&ED for the federal ITC (this amount is updated to line 103 of Part 3. For more details, consult the Help.)* . . . . ▶ +

Current expenditures (line 557 on Form T661 **plus** line 103 in Part 3)* . . . . . . 26,709 ▶ **350** 26,709

Capital expenditures incurred **before** 2014 (from line 558 on Form T661)** **360**

Repayments made in the year (from line 560 on Form T661) **370**

Qualified SR&ED expenditures (total of lines 350 to 370) **380** 26,709

* If you are claiming only contributions made to agricultural organizations for SR&ED, line 350 should equal line 103 in Part 3. Do not file Form T661.

** Capital expenditures incurred after December 31, 2013, are not qualified SR&ED expenditures. Capital cost allowance can be claimed for depreciable property acquired for use in SR&ED after 2013.

Part 9 – Components of the SR&ED expenditure limit calculation

Part 9 only applies if you are a CCPC.

Note: A CCPC considered associated with another corporation under subsection 256(1) will be considered not associated for the calculation of an SR&ED expenditure limit if:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of the corporation; and
- one of the corporations has at least one shareholder who is not common to both corporations.

Is the corporation associated with another CCPC for the purpose of calculating the SR&ED expenditure limit? . . . . . . **385** 1 Yes [X] 2 No [ ]

If you answered **no** to the question on line 385 or if you are not associated with any other corporations, complete lines 390 and 398.
If you answered **yes**, the amounts for associated corporations will be determined on Schedule 49.

Enter your taxable income for the previous tax year* (prior to any loss carrybacks applied) **390**

Enter your taxable capital employed in Canada for the previous tax year minus $10 million. If this amount is nil or negative, enter "0". If this amount is over $40 million, enter $40 million **398**

* If the tax year referred to on line 390 is less than 51 weeks, **multiply** the taxable income by the following result: 365 **divided** by the number of days in that tax year.

Part 10 – SR&ED expenditure limit for a CCPC

For a stand-alone (not associated) corporation: $ 8,000,000

Taxable income for the previous tax year (line 390 in Part 9) or $500,000, whichever is more ______ x 10 = ______ A2

Excess ($8,000,000 **minus** amount A2; if negative, enter "0") . . . . . . ______ B2

$ 40,000,000 **minus** line 398 in Part 9 . . . . . . ______ b

Amount b **divided** by $ 40,000,000 . . . . . . ______ C2

Expenditure limit for the stand-alone corporation (amount B2 **multiplied** by amount C2)* . . . . . . ______ D2

For an associated corporation:

If associated, the allocation of the SR&ED expenditure limit, as provided on Schedule 49* . . . . . . **400** ______ E2

If your tax year is less than 51 weeks, calculate the amount of the expenditure limit as follows:

Amount D2 or E2 ______ x $\frac{\text{Number of days in the tax year}}{365}$ 365 = ... ______ F2

Your SR&ED expenditure limit for the year (enter amount D2, E2, or F2, whichever applies) . . . . . . **410** ______

* Amount D2 or E2 cannot be more than $3,000,000.

Part 11 – Investment tax credits on SR&ED expenditures

Current expenditures (from line 350 in Part 8) or the expenditure limit (from line 410 in Part 10), whichever is less* . . . . **420** ________ x 35 % = ________ G2

Line 350 **minus** line 410 (if negative, enter "0") **430** 26,709

Amount from line 430 ________ x (Number of days in the tax year before 2014 / Number of days in the tax year) ________ x 20% = ________ c

Amount from line 430** 26,709 x (Number of days in the tax year after 2013 365 / Number of days in the tax year 365) x 15 % = 4,006 d

Subtotal (amount c **plus** amount d) . . . . 4,006 ▶ 4,006 H2

Line 410 **minus** line 350 (if negative, enter "0") . . . . ________ e

Capital expenditures (line 360 in Part 8) or amount e, whichever is less* . . . . **440** ________ x 35 % = ________ I2

Line 360 **minus** amount e (if negative, enter "0") . . . . **450** ________

Amount from line 450 ________ x (Number of days in the tax year before 2014 / Number of days in the tax year) ________ x 20% = ________ f

Amount from line 450** ________ x (Number of days in the tax year after 2013 365 / Number of days in the tax year 365) x 15 % = ________ g

Subtotal (amount f **plus** amount g) . . . . ________ ▶ ________ J2

If a corporation makes a repayment of any government or non-government assistance, or contract payments that reduced the amount of qualified expenditures for ITC purposes, the amount of the repayment is eligible for a credit.

Repayments (amount from line 370 in Part 8) . . . . . ________

Enter the amount of the repayment on the line that corresponds to the appropriate rate.

Repayment of assistance that reduced a qualifying expenditure for a CCPC*** . . . . **460** ________ x 35 % = ________ h

Repayment of assistance made after September 16, 2016 that reduced a qualifying expenditure incurred before 2015 . . . . **480** ________ x 20 % = ________ i

Repayment of assistance made after September 16, 2016 that reduced a qualifying expenditure incurred after 2014 . . . . . **490** ________ x 15 % = ________ j

Subtotal (**add** amounts h to j) ________ ▶ ________ K2

Current-year SR&ED ITC (total of amounts G2 to K2; enter on line 540 in Part 12) 4,006 L2

* For corporations that are not CCPCs, enter "0" for amounts G2 and I2.

** For tax years that end after 2013, the general SR&ED ITC rate is reduced from 20% to 15%, except that, for 2014 tax years that start **before** 2014, the reduction is pro-rated based on the number of days in the tax year that are **after** 2013. For tax years that have a start date **after** 2013, **multiply** the amount by 15%.

*** If you were a Canadian-controlled private corporation (CCPC), this percentage was applied to the portion that you claimed of the SR&ED qualified expenditure pool that did not exceed your expenditure limit at the time. This percentage includes the rate under subsection 127(10.1), **additions to investment tax credit**. See subsection 127(10.1) for details about exceptions. For expenditures not eligible for this rate use line 480 or 490 as appropriate.

Part 12 – Current-year credit and account balances – ITC from SR&ED expenditures

	Line	Amount		Amount	
ITC at the end of the previous tax year				18,194	M2
Credit deemed as a remittance of co-op corporations	510				
Credit expired	515				
Subtotal (line 510 **plus** line 515)			▶		N2
ITC at the beginning of the tax year (amount M2 **minus** amount N2)	520			18,194	
Credit transferred on an amalgamation or the wind-up of a subsidiary	530				
Total current-year credit (from amount L2 in Part 11)	540	4,006			
Credit allocated from a partnership	550				
Subtotal (total of lines 530 to 550)		4,006	▶	4,006	O2
Total credit available (line 520 **plus** amount O2)				22,200	P2
Credit deducted from Part I tax	560				
Credit carried back to previous years (amount S2 in Part 13)			k		
Credit transferred to offset Part VII tax liability	580				
Subtotal (total of line 560, amount k, and line 580)			▶		Q2
Credit balance before refund (amount P2 **minus** amount Q2)				22,200	R2
Refund of credit claimed on SR&ED expenditures (from Part 14 or 15, whichever applies)	610				
ITC closing balance on SR&ED (amount R2 **minus** line 610)	620			22,200	

Part 13 – Request for carryback of credit from SR&ED expenditures

	Year	Month	Day		Line	Amount
1st previous tax year				Credit to be applied	911	
2nd previous tax year				Credit to be applied	912	
3rd previous tax year				Credit to be applied	913	
				Total of lines 911 to 913 Enter at amount k in Part 12.		S2

Part 14 – Refund of ITC for qualifying corporations – SR&ED

Complete this part only if you are a qualifying corporation as determined on line 101 in Part 2.

Is the corporation an excluded corporation as defined under subsection 127.1(2)?	650	1 Yes ☐ 2 No X	
Current-year ITC (lines 540 **plus** 550 in Part 12 **minus** amount K2 in Part 11)			I
Refundable credits (amount I or amount R2 in Part 12, whichever is less)*			T2
Amount T2 or amount G2 in Part 11, whichever is less			U2
Net amount (amount T2 **minus** amount U2; if negative, enter "0")			V2
Amount V2 **multiplied** by 40 %			W2
Amount U2			X2
Refund of ITC (amount W2 **plus** amount X2 – enter this, or a lesser amount, on line 610 in Part 12)			Y2

Enter the total of line 310 in Part 5 and line 610 in Part 12 on line 780 of the T2 return.

* If you are also an excluded corporation, as defined in subsection 127.1(2), this amount must be multiplied by 40%. Claim this, or a lesser amount, as your refund of ITC for amount Y2.

Part 15 – Refund of ITC for CCPCs that are not qualifying or excluded corporations – SR&ED

Complete this part only if you are a CCPC that is not a qualifying or excluded corporation as determined on line 101 in Part 2.

Credit balance before refund (amount R2 in Part 12)	22,200	Z2
Amount Z2 or amount G2 in Part 11, whichever is less		AA2
Net amount (amount Z2 **minus** amount AA2; if negative, enter "0")	22,200	BB2
Amount BB2 or amount I2 in Part 11, whichever is less		CC2
Amount CC2 **multiplied** by 40 %		DD2
Amount AA2		EE2
Refund of ITC (amount DD2 **plus** amount EE2)		FF2

Enter FF2, or a lesser amount, on line 610 in Part 12 and also on line 780 of the T2 return.

Recapture – SR&ED

Part 16 – Recapture of ITC for corporations and partnerships – SR&ED

You will have a recapture of ITC in a year when **all** of the following conditions are met:

- you acquired a particular property in the current year or in any of the 20 previous tax years, and the credit was earned in a tax year ending after 1997 and did not expire before 2008;
- you claimed the cost of the property as a qualified expenditure for SR&ED on Form T661;
- the cost of the property was included in calculating your ITC or was the subject of an agreement made under subsection 127(13) to transfer qualified expenditures; and
- you disposed of the property or converted it to commercial use after February 23, 1998. This condition is also met if you disposed of or converted to commercial use a property that incorporates the particular property previously referred to.

Note:

The recapture **does not apply** if you disposed of the property to a non-arm's-length purchaser who intended to use it all or substantially all for SR&ED. When the non-arm's-length purchaser later sells or converts the property to commercial use, the recapture rules will apply to the purchaser based on the historical ITC rate of the original user.

You will report a recapture on the T2 return for the year in which you disposed of the property or converted it to commercial use. In the following tax year, add the amount of the ITC recapture to the SR&ED expenditure pool.

If you have more than one disposition for calculations 1 and 2, complete the columns for each disposition for which a recapture applies, using the calculation formats below.

Calculation 1 – If you meet all of the above conditions

Amount of ITC you originally calculated for the property you acquired, or the original user's ITC where you acquired the property from a non-arm's length party, as described in the **note** above **700**	Amount calculated using ITC rate at the date of acquisition (or the original user's date of acquisition) on either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value of the property (in any other case) **710**	Amount from column 700 or 710, whichever is less

Subtotal Enter at amount C3 in Part 17. ______ A3

Calculation 2 – Only if you transferred all or a part of the qualified expenditure to another person under an agreement described in subsection 127(13); otherwise, enter nil on line B3.

A Rate that the transferee used in determining its ITC for qualified expenditures under a subsection 127(13) agreement **720**	B Proceeds of disposition of the property if you dispose of it to an arm's length person; or, in any other case, enter the fair market value of the property at conversion or disposition **730**	C Amount, if any, already provided for in Calculation 1 (This allows for the situation where only part of the cost of a property is transferred under a subsection 127(13) agreement.) **740**	D Amount determined by the formula (A x B) – C	E ITC earned by the transferee for the qualified expenditures that were transferred **750**	F Amount from column D or E, whichever is less

Subtotal (total of column F) Enter at amount D3 in Part 17. ______ B3

Part 16 – Recapture of ITC for corporations and partnerships – SR&ED (continued)

Calculation 3

As a member of the partnership, you will report your share of the SR&ED ITC of the partnership after the SR&ED ITC has been reduced by the amount of the recapture. If this amount is a positive amount, you will report it on line 550 in Part 12. However, if the partnership does not have enough ITC otherwise available to offset the recapture, then the amount by which reductions to ITC exceed additions (the excess) will be determined and reported on line 760.

Corporate partner's share of the excess of SR&ED ITC **760** ________
Enter at amount E3 in Part 17.

Part 17 – Total recapture of SR&ED investment tax credit

Recaptured ITC from calculation 1, amount A3 in Part 16		C3
Recaptured ITC from calculation 2, amount B3 in Part 16		D3
Recaptured ITC from calculation 3, line 760 in Part 16		E3
Total recapture of SR&ED investment tax credit (total of amounts C3 to E3) Enter at amount A8 in Part 29.		F3

Pre-Production Mining

Part 18 – Pre-production mining expenditures

Exploration information

A mineral resource that qualifies for the credit means a mineral deposit from which the principal mineral to be extracted is diamond, a base or precious metal deposit, or a mineral deposit from which the principal mineral to be extracted is an industrial mineral that, when refined, results in a base or precious metal.

In column 800, list all minerals for which pre-production mining expenditures have taken place in the tax year.

For each of the minerals reported in column 800, identify each project (in column 805), mineral title (in column 806), and mining division (in column 807) where title is registered. If there is no mineral title, identify only the project and mining division.

List of minerals 800	Project name 805

Mineral title 806	Mining division 807

Pre-production mining expenditures*

Exploration:

Pre-production mining expenditures that you incurred in the tax year (**before** January 1, 2014) for the purpose of determining the existence, location, extent, or quality of a mineral resource in Canada:

Prospecting	810		
Geological, geophysical, or geochemical surveys	811		
Drilling by rotary, diamond, percussion, or other methods	812		
Trenching, digging test pits, and preliminary sampling	813		

Development:

Pre-production mining expenditures incurred in the tax year for bringing a new mine in a mineral resource in Canada into production in reasonable commercial quantities and incurred before the new mine comes into production in such quantities:

Clearing, removing overburden, and stripping	820		
Sinking a mine shaft, constructing an adit, or other underground entry	821		

Other pre-production mining expenditures incurred in the tax year:

Description 825	Amount 826
Total of column 826	

Total of column 826 ► A4

Total pre-production mining expenditures (total of lines 810 to 821 and amount A4)	830		
Total of all assistance (grants, subsidies, rebates, and forgivable loans) or reimbursements that the corporation has received or is entitled to receive in respect of the amounts referred to on line 830 above	832		
Excess (line 830 **minus** line 832) (if negative, enter "0")			B4
Repayments of government and non-government assistance	835		
Pre-production mining expenditures (amount B4 **plus** line 835)			C4

* A pre-production mining expenditure is defined under subsection 127(9).

Part 19 – Current-year credit and account balances – ITC from pre-production mining expenditures

ITC at the end of the previous tax year					D4
Credit deemed as a remittance of co-op corporations	841				
Credit expired	845				
Subtotal (line 841 **plus** line 845)			►		E4
ITC at the beginning of the tax year (amount D4 **minus** amount E4)			850		
Credit transferred on an amalgamation or the wind-up of a subsidiary			860		

Pre-production mining expenditures* incurred before January 1, 2013 (applicable part from amount C4 in Part 18)	870		x	10 %	=	m
Pre-production mining exploration expenditures** incurred in 2013 (applicable part from amount C4 in Part 18)	872		x	5 %	=	n
Pre-production mining development expenditures incurred in 2014 (applicable part from amount C4 in Part 18)	874		x	7 %	=	o
Pre-production mining development expenditures incurred in 2015 (applicable part from amount C4 in Part 18)	876		x	4 %	=	p

Current year credit (total of amounts m to p)	880		►		F4
Total credit available (total of lines 850, 860, and amount F4)					G4
Credit deducted from Part I tax	885				
Credit carried back to previous years (amount I4 in Part 20)			q		
Subtotal (line 885 **plus** amount q)			►		H4
ITC closing balance from pre-production mining expenditures (amount G4 **minus** amount H4)			890		

* Also include pre-production mining development expenditures incurred before 2014 and pre-production mining development expenditures incurred after 2013 and before 2016 that are eligible for transitional relief.

** Also include pre-production mining development expenditures incurred in 2015 if the expense is described in subparagraph (a)(ii) of the definition **pre-production mining expenditure** in subsection 127(9) of the Act because of paragraph (g.4) of the definition **Canadian exploration expense** in subsection 66.1(6) of the Act.

Part 20 – Request for carryback of credit from pre-production mining expenditures

	Year	Month	Day			
1st previous tax year				Credit to be applied	921	
2nd previous tax year				Credit to be applied	922	
3rd previous tax year				Credit to be applied	923	
				Total of lines 921 to 923 Enter at amount q in Part 19.		I4

Apprenticeship Job Creation

Part 21 – Total current-year credit – ITC from apprenticeship job creation expenditures

If you are a related person as defined under subsection 251(2), has it been agreed in writing that you are the only employer who will be claiming the apprenticeship job creation tax credit for this tax year for each apprentice whose contract number (or social insurance number (SIN) or name) appears below? (If not, you cannot claim the tax credit.) . . . . **611** 1 Yes ☐ 2 No ☐

For each apprentice in their first 24 months of the apprenticeship, enter the apprenticeship contract number registered with Canada, or a province or territory, under an apprenticeship program designed to certify or license individuals in the trade. For the province, the trade must be a Red Seal trade. If there is no contract number, enter the SIN or the name of the eligible apprentice.

A Contract number (SIN or name of apprentice) **601**	B Name of eligible trade **602**	C Eligible salary and wages* **603**	D Column C x 10 % **604**	E Lesser of column D or $ 2,000 **605**

Total current-year credit (total of column E) Enter on line 640 in Part 22. ______ A5

* Other than qualified expenditure incurred, and net of any other government or non-government assistance received or to be received. **Eligible salary and wages**, and **qualified expenditures** are defined under subsection 127(9).

Part 22 – Current-year credit and account balances – ITC from apprenticeship job creation expenditures

ITC at the end of the previous tax year . . . . ______ B5

Credit deemed as a remittance of co-op corporations . . . . **612** ______

Credit expired after 20 tax years . . . . **615** ______

Subtotal (line 612 **plus** line 615) ______ ▶ ______ C5

ITC at the beginning of the tax year (amount B5 **minus** amount C5) . . . . **625** ______

Credit transferred on an amalgamation or the wind-up of a subsidiary . . . . **630** ______

ITC from repayment of assistance . . . . **635** ______

Total current-year credit (amount A5 in Part 21) . . . . **640** ______

Credit allocated from a partnership . . . . **655** ______

Subtotal (total of lines 630 to 655) ______ ▶ ______ D5

Total credit available (line 625 **plus** amount D5) . . . . ______ E5

Credit deducted from Part I tax . . . . **660** ______

Credit carried back to previous years (amount G5 in Part 23) . . . . ______ r

Subtotal (line 660 **plus** amount r) ______ ▶ ______ F5

ITC closing balance from apprenticeship job creation expenditures (amount E5 **minus** amount F5) . . . . **690** ______

Part 23 – Request for carryback of credit from apprenticeship job creation expenditures

	Year	Month	Day			
1st previous tax year				Credit to be applied	**931**	
2nd previous tax year				Credit to be applied	**932**	
3rd previous tax year				Credit to be applied	**933**	

Total of lines 931 to 933 Enter at amount r in Part 22. ______ G5

Child Care Spaces

Part 24 – Eligible child care spaces expenditures

Enter the eligible expenditures that you incurred after March 18, 2007 and before March 22, 2017* to create licensed child care spaces for the children of the employees and, potentially, for other children. You cannot be carrying on a child care services business. The eligible expenditures include:

- the cost of depreciable property (other than specified property); and
- the specified child care start-up expenditures.

Properties should be acquired and expenditures should be incurred only to create new child care spaces at a licensed child care facility.

Cost of depreciable property from the current tax year

	Capital cost allowance class number **665**	Description of investment **675**	Date available for use **685**	Amount of investment **695**
1.				

Total cost of depreciable property from the current tax year (total of column 695)	**715**		
Specified child care start-up expenditures from the current tax year	**705**		
Total gross eligible expenditures for child care spaces (line 715 **plus** line 705)			A6
Total of all assistance (including grants, subsidies, rebates, and forgivable loans) or reimbursements that the corporation has received or is entitled to receive in respect of the amounts referred to in amount A6	**725**		
Excess (amount A6 **minus** line 725) (if negative, enter "0")			B6
Repayments by the corporation of government and non-government assistance	**735**		
Total eligible expenditures for child care spaces (amount B6 **plus** line 735)	**745**		

* If you entered into a written agreement before March 22, 2017, eligible expenditures incurred before 2020 will remain eligible for the credit.

Part 25 – Current-year credit – ITC from child care spaces expenditures

The credit is equal to 25% of eligible child care spaces expenditures incurred to a maximum of $10,000 per child care space created in a licensed child care facility.

Eligible expenditures (from line 745 in Part 24)			x	25 % =		C6
Number of child care spaces	**755**		x	$ 10,000 =		D6
ITC from child care spaces expenditures (amount C6 or D6, whichever is less)						E6

Part 26 – Current-year credit and account balances – ITC from child care spaces expenditures

ITC at the end of the previous tax year				F6
Credit deemed as a remittance of co-op corporations	765			
Credit expired after 20 tax years	770			
Subtotal (line 765 **plus** line 770)			▶	G6
ITC at the beginning of the tax year (amount F6 **minus** amount G6)			775	
Credit transferred on an amalgamation or the wind-up of a subsidiary	777			
Total current-year credit (amount E6 in Part 25)	780			
Credit allocated from a partnership	782			
Subtotal (total of lines 777 to 782)			▶	H6
Total credit available (line 775 **plus** amount H6)				I6
Credit deducted from Part I tax	785			
Credit carried back to previous years (amount K6 in Part 27)			s	
Subtotal (line 785 **plus** amount s)			▶	J6
ITC closing balance from child care spaces expenditures (amount I6 **minus** amount J6)			790	

Part 27 – Request for carryback of credit from child care space expenditures

	Year Month Day			
1st previous tax year	2016-12-31	Credit to be applied	941	
2nd previous tax year	2015-12-31	Credit to be applied	942	
3rd previous tax year	2014-12-31	Credit to be applied	943	
		Total of lines 941 to 943 Enter at amount s in Part 26.		K6

Recapture – Child Care Spaces

Part 28 – Recapture of ITC for corporations and partnerships – Child care spaces

The ITC will be recovered against the taxpayer's tax otherwise payable under Part I of the Act if, at any time within 60 months of the day on which the taxpayer acquired the property:

- the new child care space is no longer available; or
- property that was an eligible expenditure for the child care space is:
  - disposed of or leased to a lessee; or
  - converted to another use.

If the property disposed of is a child care space, the amount that can reasonably be considered to have been included in the original ITC (paragraph 127(27.12)(a)) . . . . **792** ____________

In the case of eligible expenditures (paragraph 127(27.12)(b)), the lesser of:

The amount that can reasonably be considered to have been included in the original ITC . . . . **795** ____________

25% of either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value (in any other case) of the property . . . . **797** ____________

Amount from line 795 or line 797, whichever is less . . . . ____________ A7

Partnerships

As a member of the partnership, you will report your share of the child care spaces ITC of the partnership after the child care spaces ITC has been reduced by the amount of the recapture. If this amount is a positive amount, you will report it on line 782 in Part 26. However, if the partnership does not have enough ITC otherwise available to offset the recapture, then the amount by which reductions to ITC exceed additions (the excess) will be determined and reported on line 799 below.

Corporate partner's share of the excess of ITC **799** ____________

Total recapture of child care spaces investment tax credit (total of line 792, amount A7, and line 799) . . . . ____________ B7
Enter at amount B8 in Part 29.

Summary of Investment Tax Credits

Part 29 – Total recapture of investment tax credit

Recaptured SR&ED ITC (amount F3 in Part 17) . . . . ____________ A8

Recaptured child care spaces ITC (amount B7 in Part 28) . . . . ____________ B8

Total recapture of investment tax credit (amount A8 **plus** amount B8) . . . . ____________ C8
Enter on line 602 of the T2 return.

Part 30 – Total ITC deducted from Part I tax

ITC from investments in qualified property deducted from Part I tax (line 260 in Part 5) . . . . ____________ D8

ITC from SR&ED expenditures deducted from Part I tax (line 560 in Part 12) . . . . ____________ E8

ITC from pre-production mining expenditures deducted from Part I tax (line 885 in Part 19) . . . . ____________ F8

ITC from apprenticeship job creation expenditures deducted from Part I tax (line 660 in Part 22) . . . . ____________ G8

ITC from child care space expenditures deducted from Part I tax (line 785 in Part 26) . . . . ____________ H8

Total ITC deducted from Part I tax (total of amounts D8 to H8) . . . . ____________ I8
Enter on line 652 of the T2 return.

Summary of Investment Tax Credit Carryovers

Continuity of investment tax credit carryovers

CCA class number 99 Cur. or cap. R&D for ITC

Current year

	Addition current year (A)	Applied current year (B)	Claimed as a refund (C)	Carried back (D)	ITC end of year (A-B-C-D)
	4,006				4,006

Prior years

Taxation year	ITC beginning of year (E)	Adjustments (F)	Applied current year (G)	ITC end of year (E-F-G)
2016-12-31	18,194			18,194
2015-12-31				
2014-12-31				
2013-12-31				
2012-12-31				
2011-12-31				
2010-12-31				
2009-12-31				
2008-12-31				
2007-12-31				*
2006-12-31				
2005-12-31				
2004-12-31				
2003-12-31				
2002-12-31				
2001-12-31				
				*
Total	18,194			18,194

B+C+D+G **Total ITC utilized**

* The **ITC end of year** includes the amount of ITC expired from the 10th preceding year if it is before January 1, 1998, or the amount of ITC expired from the 20th preceding year if it is after December 31, 1997. Note that this credit expires at the end of the tax year and any expired credit will be posted to line 215, 515, 615, 770 or 845, as applicable, in Schedule 31 the following year.

Canada Revenue Agency / Agence du revenu du Canada

Schedule 33

Taxable Capital Employed in Canada – Large Corporations

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2017-12-31

- Use this schedule in determining if the total taxable capital employed in Canada of the corporation (other than a financial institution or an insurance corporation) and its related corporations is greater than $10,000,000.
- If the total taxable capital employed in Canada of the corporation and its related corporations is greater than $10,000,000, file a completed Schedule 33 with your T2 *Corporation Income Tax Return* no later than six months from the end of the tax year.
- Unless otherwise noted, all legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 181(1) defines the terms **financial institution**, **long-term debt**, and **reserves**.
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part I.3 for its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or for a partnership in which it has an interest.
- If the corporation was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 4, **Taxable capital employed in Canada**.

Part 1 – Capital

Add the following year-end amounts:

	Line	Amount		
Reserves that have not been deducted in calculating income for the year under Part I	101	156,696		
Capital stock (or members' contributions if incorporated without share capital)	103	10,852,000		
Retained earnings	104	7,612,000		
Contributed surplus	105	1,600,000		
Any other surpluses	106			
Deferred unrealized foreign exchange gains	107			
All loans and advances to the corporation	108	265,000		
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109			
Any dividends declared but not paid by the corporation before the end of the year	110			
All other indebtedness of the corporation (other than any indebtedness for a lease) that has been outstanding for more than 365 days before the end of the year	111			
The total of all amounts, each of which is the amount, if any, in respect of a partnership in which the corporation held a membership interest at the end of the year, either directly or indirectly through another partnership (see note below)	112			
Subtotal (**add** lines 101 to 112)		20,485,696	20,485,696	A

Note:

Line 112 is determined by the formula (A – B) x C/D (as per paragraph 181.2(3)(g)) where:

A is the total of all amounts that would be determined for lines 101, 107, 108, 109, and 111 in respect of the partnership for its last fiscal period that ends at or before the end of the year if
- a) those lines applied to partnerships in the same manner that they apply to corporations, and
- b) those amounts were computed without reference to amounts owing by the partnership
  - (i) to any corporation that held a membership interest in the partnership either directly or indirectly through another partnership, or
  - (ii) to any partnership in which a corporation described in subparagraph (i) held a membership interest either directly or indirectly through another partnership.

B is the partnership's deferred unrealized foreign exchange losses at the end of the period,

C is the share of the partnership's income or loss for the period to which the corporation is entitled either directly or indirectly through another partnership, and

D is the partnership's income or loss for the period.

Part 1 – Capital (continued)

Subtotal A (from page 1)			20,485,696	A
Deduct the following amounts:				
Deferred tax debit balance at the end of the year	121			
Any deficit deducted in calculating its shareholders' equity (including, for this purpose, the amount of any provision for the redemption of preferred shares) at the end of the year	122			
To the extent that the amount may reasonably be regarded as being included in any of lines 101 to 112 above for the year, any amount deducted under subsection 135(1) in calculating income under Part I for the year.	123			
Deferred unrealized foreign exchange losses at the end of the year	124			
Subtotal (**add** lines 121 to 124)		►		B
Capital for the year (amount A **minus** amount B) (if negative, enter “0”)	190		20,485,696	

Part 2 – Investment allowance

Add the carrying value at the end of the year of the following assets of the corporation:

A share of another corporation	401	
A loan or advance to another corporation (other than a financial institution)	402	2,856,000
A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution)	403	
Long-term debt of a financial institution	404	
A dividend payable on a share of the capital stock of another corporation	405	
A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim or similar obligation of, a partnership each member of which was, throughout the year, another corporation (other than a financial institution) that was not exempt from tax under this Part (otherwise than because of paragraph 181.1(3)(d)), or another partnership described in paragraph 181.2(4)(d.1)	406	
An interest in a partnership (see note 2 below)	407	
Investment allowance for the year (add lines 401 to 407)	490	2,856,000

Notes:

1. Lines 401 to 405 should not include the carrying value of a share of the capital stock of, a dividend payable by, or indebtedness of a corporation that is exempt from tax under Part I.3 (other than a non-resident corporation that at no time in the year carried on business in Canada through a permanent establishment).
2. Where the corporation has an interest in a partnership held either directly or indirectly through another partnership, refer to subsection 181.2(5) for additional rules regarding the carrying value of an interest in a partnership.
3. Where a trust is used as a conduit for loaning money from a corporation to another related corporation (other than a financial institution), the loan will be considered to have been made directly from the lending corporation to the borrowing corporation. Refer to subsection 181.2(6) for special rules that may apply.

Part 3 – Taxable capital

Capital for the year (line 190)		20,485,696	C
Deduct: Investment allowance for the year (line 490)		2,856,000	D
Taxable capital for the year (amount C **minus** amount D) (if negative, enter "0")	500	17,629,696	

Part 4 – Taxable capital employed in Canada

To be completed by a corporation that was resident in Canada at any time in the year

Taxable capital for the year (line 500) 17,629,696 x Taxable income earned in Canada **610** 1,000 / Taxable income 1,000 = **Taxable capital employed in Canada** **690** 17,629,696

Notes: 1. Regulation 8601 gives details on calculating the amount of taxable income earned in Canada.
2. Where a corporation's taxable income for a tax year is "0," it shall, for the purposes of the above calculation, be deemed to have a taxable income for that year of $1,000.
3. In the case of an airline corporation, Regulation 8601 should be considered when completing the above calculation.

To be completed by a corporation that was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada

Total of all amounts each of which is the carrying value at the end of the year of an asset of the corporation used in the year or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada . . . . **701** ______

Deduct the following amounts:

Corporation's indebtedness at the end of the year [other than indebtedness described in any of paragraphs 181.2(3)(c) to (f)] that may reasonably be regarded as relating to a business it carried on during the year through a permanent establishment in Canada . . . . **711** ______

Total of all amounts each of which is the carrying value at the end of year of an asset described in subsection 181.2(4) of the corporation that it used in the year, or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada . . . . **712** ______

Total of all amounts each of which is the carrying value at the end of year of an asset of the corporation that is a ship or aircraft the corporation operated in international traffic, or personal or movable property used or held by the corporation in carrying on any business during the year through a permanent establishment in Canada (see note below) . . . . **713** ______

Total deductions (**add** lines 711, 712, and 713) ______ ► ______ E

Taxable capital employed in Canada (line 701 **minus** amount E) (if negative, enter "0") . . . . **790** ______

Note: Complete line 713 only if the country in which the corporation is resident did not impose a capital tax for the year on similar assets, or a tax for the year on the income from the operation of a ship or aircraft in international traffic, of any corporation resident in Canada during the year.

Part 5 – Calculation for purposes of the small business deduction

This part is applicable to corporations that are not associated in the current year, but were associated in the prior year.

Taxable capital employed in Canada (amount from line 690) . . . . ______ F

Deduct: . . . . 10,000,000 G

Excess (amount F **minus** amount G) (if negative, enter "0") ______ H

Calculation for purposes of the small business deduction (amount H x 0.225%) . . . . ______ I

Enter this amount at line 415 of the T2 return.

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SCHEDULE 50

SHAREHOLDER INFORMATION

Name of corporation	Business Number	Tax year end Year Month Day
InnPower Corporation	89242 2817 RC0001	2017-12-31

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

	Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust)	Provide only one number per shareholder: Business Number (If a corporation is not registered, enter "NR")	Social insurance number	Trust number	Percentage common shares	Percentage preferred shares
	100	200	300	350	400	500
1	Town of Innisfil	12194 7188 RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

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Schedule 508

Ontario Research and Development Tax Credit

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2017-12-31

- Use this schedule to:
  - calculate an Ontario research and development tax credit (ORDTC);
  - claim an ORDTC earned in the tax year or carried forward from any of the 20 previous tax years that are a tax year ending after December 31, 2008, to reduce Ontario corporate income tax payable in the current tax year;
  - carry back an ORDTC earned in the tax year to reduce Ontario corporate income tax payable in any of the three previous tax years;
  - add an ORDTC that was allocated to the corporation by a partnership of which it was a member;
  - add an ORDTC transferred after an amalgamation or windup; or
  - calculate a recapture of the ORDTC.
- The ORDTC is a non-refundable tax credit on eligible expenditures incurred by a corporation in a tax year. The ORDTC rate is:
  - 4.5% for tax years that end before June 1, 2016;
  - 3.5% for tax years that start after May 31, 2016; and
  - prorated for a tax year that ends on or after June 1, 2016, and includes May 31, 2016.
- An eligible expenditure is an expenditure for a permanent establishment in Ontario of a corporation, that is a qualified expenditure for the purposes of section 127 of the federal *Income Tax Act* for scientific research and experimental development (SR&ED) carried on in Ontario.
- Only corporations that are not exempt from Ontario corporate income tax and none of whose income is exempt income can claim the ORDTC.
- Complete and attach this schedule to the *T2 Corporation Income Tax Return* for the tax year.
- To claim this credit, you must also send in completed copies of the Form T661, *Scientific Research and Experimental Development (SR&ED) Expenditures Claim*, and the Schedule 31, *Investment Tax Credit - Corporations*, within 18 months of the tax year end.

Part 1 – Ontario SR&ED expenditure pool

	Line				
Total eligible expenditures incurred by the corporation in Ontario in the tax year	100	27,678	A		
Government assistance, non-government assistance, or a contract payment for eligible expenditures	105		B		
Net eligible expenditures for the tax year (amount A **minus** amount B) (if negative, enter "0")		27,678	C		
Eligible expenditures transferred to the corporation by another corporation	110		D		
Subtotal (amount C **plus** amount D)		27,678	▶	27,678	E
Eligible expenditures the corporation transferred to another corporation	115				F
Ontario SR&ED expenditure pool (amount E **minus** amount F) (if negative, enter "0")	120			27,678	G

Eligible expenditures incurred after March 27, 2018, qualify for an enhanced rate when the following requirements are met:

- The Ontario SR&ED expenditure pool for the taxation year is more than $1,000,000. If the current taxation year is a short year, this threshold should be prorated.
- The Ontario SR&ED expenditure pool for the current taxation year represents 90% or more of the Ontario SR&ED expenditure pool for the previous taxation year. Eligible expenditures incurred in short taxation years would be increased to the full year equivalent.

If these requirements are met, indicate the portion of the amount on line 120 relating to eligible expenditures incurred after March 27, 2018. ______ G.1

Part 2 – Eligible repayments

The repayment of the ORDTC is calculated using the ORDTC rate that you used to determine your tax credit at the time your eligible expenditures were reduced because of the government or non-government assistance, or contract payments. Enter the amount of the repayment on the line that corresponds to the appropriate rate.

Repayments for tax years that end before June 1, 2016 . . . . **210** ______ x 4.5 % = **215** ______ H

Repayment for a tax year that ends on or after June 1, 2016 and includes May 31, 2016. Complete the proration calculation below.

Number of days in the tax year before June 1, 2016	240	152	x	4.5 %	=	1.8689 %	1
Number of days in the tax year	241	366					
Number of days in the tax year after May 31, 2016	242	214	x	3.5 %	=	2.0464 %	2
Number of days in the tax year	243	366					
Subtotal (percentage 1 **plus** percentage 2)						3.9153 %	3

Part 2 – Eligible repayments (continued)

Repayments for a tax year that ends on or after June 1, 2016 and includes May 31, 2016	211		x percentage 3	3.9153 %	= 216	I
Repayments for tax years that start after May 31, 2016	212		x	3.5 %	= 217	J
Repayments made in the tax year of government or non-government assistance or contract payments that reduced eligible expenditures for first term or second term shared-use equipment acquired before 2014	220	x 1 / 4 =	x	4.5 %	= 225	K
Eligible repayments (total of amounts H to K)					229	L

Part 3 – Calculation of the current part of the ORDTC

For tax years that end before June 1, 2016

Ontario SR&ED expenditure pool (amount G in Part 1)		x	4.5 %	= 200	M
ORDTC allocated to the corporation by a partnership of which it is a member (other than a specified member) for a fiscal period that ends in the corporation's tax year *				205	N
Eligible repayments (amount L in Part 2)					O
Current part of the ORDTC for tax years that end before June 1, 2016 (total of amounts M to O)				230	P

For a tax year that ends on or after June 1, 2016, and includes May 31, 2016

$\frac{\text{Number of days in the tax year before June 1, 2016}}{\text{Number of days in the tax year}}$ ______ x 4.5 % = ______ % 4

$\frac{\text{Number of days in the tax year after May 31, 2016}}{\text{Number of days in the tax year}}$ ______ x 3.5 % = ______ % 5

Subtotal (percentage 4 **plus** percentage 5) ______ % 6

Ontario SR&ED expenditure pool (amount G in Part 1)		x percentage 6	%	= 201	Q
ORDTC allocated to the corporation by a partnership of which it is a member (other than a specified member) for a fiscal period that ends in the corporation's tax year *				206	R
Eligible repayments (amount L in Part 2)					S
Part of the ORDTC for a tax year that ends on or after June 1, 2016, and includes May 31, 2016 (total of amounts Q to S)				231	T

For tax years that start after May 31, 2016

Ontario SR&ED expenditure pool (amount G in Part 1)	27,678	x	3.5 %	= 969	U.1

Enhanced tax credit for eligible expenditures incurred after March 27, 2018:

Amount G.1 ______ x Enhanced rate 2 % x $\frac{\text{Number of days in the tax year after March 27, 2018} \quad \_\_\_\_}{\text{Number of days in the tax year} \quad 365}$ = ______ U.2

Total (add lines U.1 and U.2)	202	969	U
ORDTC allocated to the corporation by a partnership of which it is a member (other than a specified member) for a fiscal period that ends in the corporation's tax year *	207		V
Eligible repayments (amount L in Part 2)			W
The ORDTC for tax years that start after May 31, 2016 (total of amounts U to W)	232	969	X

* If there is a disposal or change of use of eligible property, see Part 7 on page 4.

Part 4 – Calculation of ORDTC available for deduction and ORDTC balance

ORDTC balance at the end of the previous tax year			4,942	Y
ORDTC expired after 20 tax years	300			Z
ORDTC at the beginning of the tax year (amount Y **minus** amount Z)	305		4,942	AA
ORDTC transferred to the corporation on amalgamation or windup	310			BB
Current part of ORDTC (amount P, T or X in Part 3 whichever applies)		969 CC		

Are you waiving all or part of the current part of the ORDTC? 315 Yes 1 ☐ No 2 ☒

If you answered **yes** at line 315, enter the amount of the tax credit waived on line 320.

If you answered **no** at line 315, enter "0" on line 320.

Waiver of the current part of the ORDTC	320	DD				
Subtotal (amount CC **minus** amount DD)		969 ▶	969	EE		
ORDTC available for deduction (total of amounts AA, BB and EE)			5,911 ▶		5,911	FF
ORDTC claimed ** (Enter amount GG on line 416 on page 5 of Schedule 5, *Tax Calculation Supplementary – Corporations*)				GG		
ORDTC carried back to previous tax years (from Part 5)				HH		
Subtotal (amount GG **plus** amount HH)			▶			II
ORDTC balance at the end of the tax year (amount FF **minus** amount II)	325				5,911	JJ

** This amount cannot be more than the lesser of the following amounts:
– ORDTC available for deduction (amount FF); or
– Ontario corporate income tax payable before the ORDTC and the Ontario corporate minimum tax credit (amount from line E6 on page 5 of Schedule 5).

Part 5 – Request for carryback of tax credit

	Year Month Day			
1st previous tax year	2016-12-31	Credit to be applied	901	
2nd previous tax year	2015-12-31	Credit to be applied	902	
3rd previous tax year	2014-12-31	Credit to be applied	903	

Total (total of amount 901 to 903)(enter at amount HH in Part 4)

Part 6 – Analysis of tax credit available for carryforward by tax year of origin

You can complete this part to show all the credits from previous tax years available for carryforward, by year of origin. This will help you determine the amount of credit that could expire in following years.

Tax year of origin (earliest tax year first) Year Month Day	Credit available
2001-12-31	
2002-12-31	
2003-12-31	
2004-12-31	
2005-12-31	
2006-12-31	

	Tax year of origin (earliest tax year first) Year Month Day	Credit available
	2007-12-31	
	2008-12-31	
	2009-12-31	
	2010-12-31	
	2011-12-31	
	2012-12-31	
	2013-12-31	
	2014-12-31	
	2015-12-31	
	2016-12-31	4,942
Current tax year	2017-12-31	969

Total (equals line 325 in Part 4) 5,911

The amount available from the 20th previous tax year will expire after this year. When you file your return for the next year, you will enter the expired amount on line 300 of Schedule 508 for that year.

Part 7 – Calculation of a recapture of ORDTC

You will have a recapture of ORDTC in a tax year when you meet **all** of the following conditions:

- you acquired a particular property in the current year or in any of the 20 previous tax years if the ORDTC was earned in a tax year ending after 2008;
- you claimed the cost of the property as an eligible expenditure for the ORDTC;
- the cost of the property was included in computing your ORDTC or was subject to an agreement made under subsection 127(13) of the federal Act to transfer qualified expenditures and section 42 of the *Taxation Act, 2007* (Ontario) applied; and
- you disposed of the property or converted it to commercial use in a tax year ending after December 31, 2008. You also meet this condition if you disposed of or converted to commercial use a property which incorporates the particular property previously referred to.

  Note: The recapture **does not apply** if you disposed of the property to a non-arm's length purchaser who intended to use it all or substantially all for SR&ED in Ontario. When the non-arm's length purchaser later sells or converts the property to commercial use, the recapture rules will apply to the purchaser based on the historical federal investment tax credit (ITC) rate *** of the original user in Calculation 1 below.

You have to report the recapture on Schedule 5 for the year in which you disposed of the property or converted it to commercial use. If the corporation is a member of a partnership, report its share of the recapture.

Complete the columns for each disposition for which a recapture applies, using the calculation formats below.

*** Federal ITC in calculations 1 and 2 should be determined without reference to paragraph (e) of the definition **investment tax credit** in subsection 127(9) of the federal Act.

Calculation 1 – Complete this part If you meet all of the above conditions

	KK Amount of federal ITC you originally calculated for the property you acquired, or the original user's federal ITC where you acquired the property from a non-arm's length party, as described in the note above 700	LL Amount calculated using the federal ITC rate at the date of acquisition (or the original user's date of acquisition) on either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value of the property (in any other case) 710	MM Amount from column 700 or 710, whichever is less
1.			

Total of column MM (enter at amount WW in Part 8) NN

Part 7 – Calculation of a recapture of ORDTC (continued)

Calculation 2 – If the corporation is deemed by subsection 42(1) of the *Taxation Act, 2007* (Ontario) to have transferred all or part of the eligible expenditure to another corporation as a consequence of an agreement described in subsection 127(13) of the federal Act complete Calculation 2. Otherwise, enter nil on line SS.

	OO Rate percentage that the transferee used to determine its federal ITC for qualified expenditure that was transferred under an agreement under subsection 127(13) of the federal Act 720	PP Proceeds of disposition of the property if you dispose of it to a person at arm's length; or, in any other case, the fair market value of the property at conversion or disposition 730	QQ Amount, if any, already provided for in Calculation 1 (this allows for the situation where only part of the cost of a property is transferred for an agreement under subsection 127(13) of the federal Act) 740
1.			

	RR Amount determined by the formula (OO x PP) - QQ (using the columns above)	SS Federal ITC earned by the transferee for the qualified expenditure that was transferred 750	TT Amount from column RR or SS, whichever is less
1.			

Total of column TT (enter at amount XX in Part 8) ____ UU

Calculation 3

As a member of a partnership, you will report your share of the ORDTC of the partnership after the ORDTC has been reduced by the amount of the recapture. If this is a positive amount, you will report it on line 205, 206, or 207 in Part 3, whichever applies. However, if the partnership does not have enough ORDTC otherwise available to offset the recapture, then the amount by which reductions to the ORDTC exceeds additions (the excess) will be determined and reported on line VV.

Corporate partner's share of the excess of ORDTC (enter at amount ZZ in Part 8) . . . . **760** ____ VV

Part 8 – Total recapture of ORDTC

Recaptured federal ITC for Calculation 1 (amount NN from Part 7) . . . . ____ WW

Recaptured federal ITC for Calculation 2 (amount UU from Part 7) . . . . ____ XX

Amount WW **plus** amount XX . . . . ____ x 23.56 % = ____ YY

Corporate partner's share of the excess of ORDTC for Calculation 3 (amount VV from Part 7) . . . . ____ ZZ

Recapture of ORDTC (amount YY **plus** amount ZZ) (enter amount AAA on line 277 on page 5 of Schedule 5) . . . . ____ AAA

Schedule A - Worksheet for eligible expenditures incurred by the corporation in Ontario for the current taxation year

This worksheet allows you to report the amount of eligible expenditures entered on Form T661, *Scientific Research and Experimental Development (SR&ED) Expenditures Claim* which represents eligible expenditures as defined in section 127 of the *Income Tax Act* (ITA) with regard to scientific research and experimental development (SR&ED) **carried on in Ontario and attributable to a permanent establishment in Ontario of a corporation**.

Data on the worksheet is calculated based on the amounts on Form T661, but will have to be adjusted according to the rules of Ontario, if applicable, in particular when the corporation has had a permanent establishment in more than one jurisdiction. This data will be used when calculating Schedule 508 and Schedule 566.

Enter the breakdown between current and capital expenditures

		Current Expenditures			Capital Expenditures	
Total expenditures for SR&ED		19,588				
Add						
• payment of prior years' unpaid expenses (other than salary or wages)	+					
• prescribed proxy amount (Enter "0" if you use the traditional method)	+	8,788				
• expenditures on shared-use equipment				+		
• other additions	+			+		
Subtotal	=	28,376		=		
Less						
• current expenditures (other than salary or wages) not paid within 180 days of the tax year end	–					
• amounts paid in respect of an SR&ED contract to a person or partnership that is not taxable supplier	–					
• 20% of contract expenditures for SR&ED performed on your behalf	–	698				
• prescribed expenditures not allowed by regulations	–			–		
• other deductions	–			–		
• non-arm's length transactions						
– expenditures for non-arm's length SR&ED contracts	–					
– purchases (limited to costs) of goods and services from non-arm's length suppliers	–			–		
Subtotal	=	27,678	I	=		II
Total eligible expenditures incurred by the corporation in Ontario in the tax year (add amount I and II)				=	27,678	III

Enter amount III on line 100 of Schedule 508.

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Schedule 510

Ontario Corporate Minimum Tax

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2017-12-31

- File this schedule if the corporation is subject to Ontario corporate minimum tax (CMT). CMT is levied under section 55 of the *Taxation Act, 2007* (Ontario), referred to as the "Ontario Act".
- Complete Part 1 to determine if the corporation is subject to CMT for the tax year.
- A corporation not subject to CMT in the tax year is still required to file this schedule if it is deducting a CMT credit, has a CMT credit carryforward, or has a CMT loss carryforward or a current year CMT loss.
- A corporation that has Ontario special additional tax on life insurance corporations (SAT) payable in the tax year must complete Part 4 of this schedule even if it is not subject to CMT for the tax year.
- A corporation is exempt from CMT if, throughout the tax year, it was one of the following:
  1) a corporation exempt from income tax under section 149 of the federal *Income Tax Act*;
  2) a mortgage investment corporation under subsection 130.1(6) of the federal Act;
  3) a deposit insurance corporation under subsection 137.1(5) of the federal Act;
  4) a congregation or business agency to which section 143 of the federal Act applies;
  5) an investment corporation as referred to in subsection 130(3) of the federal Act; or
  6) a mutual fund corporation under subsection 131(8) of the federal Act.
- File this schedule with the *T2 Corporation Income Tax Return*.

Part 1 – Determination of CMT applicability

Total assets of the corporation at the end of the tax year *	112	80,535,000
Share of total assets from partnership(s) and joint venture(s) *	114	
Total assets of associated corporations (amount from line 450 on Schedule 511)	116	357,090,763
Total assets (total of lines 112 to 116)		437,625,763
Total revenue of the corporation for the tax year **	142	40,931,000
Share of total revenue from partnership(s) and joint venture(s) **	144	
Total revenue of associated corporations (amount from line 550 on Schedule 511)	146	64,388,127
Total revenue (total of lines 142 to 146)		105,319,127

The corporation is subject to CMT if:
- for tax years ending before July 1, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are more than $5,000,000, or the total revenue for the year of the corporation or the associated group of corporations is more than $10,000,000.
- for tax years ending after June 30, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are equal to or more than $50,000,000, and the total revenue for the year of the corporation or the associated group of corporations is equal to or more than $100,000,000.

If the corporation is not subject to CMT, do not complete the remaining parts unless the corporation is deducting a CMT credit, or has a CMT credit carryforward, a CMT loss carryforward, a current year CMT loss, or SAT payable in the year.

* **Rules for total assets**
- Report total assets according to generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- Do not include unrealized gains and losses on assets and foreign currency gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.
- The amount on line 114 is determined at the end of the last fiscal period of the partnership or joint venture that ends in the tax year of the corporation. Add the proportionate share of the assets of the partnership(s) and joint venture(s), and deduct the recorded asset(s) for the investment in partnerships and joint ventures.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were $1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

** **Rules for total revenue**
- Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- If the tax year is less than 51 weeks, **multiply** the total revenue of the corporation or the partnership, whichever applies, by 365 and **divide** by the number of days in the tax year.
- The amount on line 144 is determined for the partnership or joint venture fiscal period that ends in the tax year of the corporation. If the partnership or joint venture has 2 or more fiscal periods ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were $1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

Part 2 – Adjusted net income/loss for CMT purposes

	Line	Amount		Total
Net income/loss per financial statements *	210			35,000
Add (to the extent reflected in income/loss):				
Provision for current income taxes/cost of current income taxes	220	68,000		
Provision for deferred income taxes (debits)/cost of future income taxes	222	267,000		
Equity losses from corporations	224			
Financial statement loss from partnerships and joint ventures	226			
Dividends deducted on financial statements (subsection 57(2) of the Ontario Act), excluding dividends paid by credit unions under subsection 137(4.1) of the federal Act	230			
Other additions (see note below):				
Share of adjusted net income of partnerships and joint ventures **	228			
Total patronage dividends received, not already included in net income/loss	232			
281 2016 Reg. movement in deferred tax	282	38,000		
283	284			
Subtotal		373,000	▶	373,000 A
Deduct (to the extent reflected in income/loss):				
Provision for recovery of current income taxes/benefit of current income taxes	320			
Provision for deferred income taxes (credits)/benefit of future income taxes	322			
Equity income from corporations	324			
Financial statement income from partnerships and joint ventures	326			
Dividends deductible under section 112, section 113, or subsection 138(6) of the federal Act	330			
Dividends not taxable under section 83 of the federal Act (from Schedule 3)	332			
Gain on donation of listed security or ecological gift	340			
Accounting gain on transfer of property to a corporation under section 85 or 85.1 of the federal Act ***	342			
Accounting gain on transfer of property to/from a partnership under section 85 or 97 of the federal Act ****	344			
Accounting gain on disposition of property under subsection 13(4), subsection 14(6), or section 44 of the federal Act *****	346			
Accounting gain on a windup under subsection 88(1) of the federal Act or an amalgamation under section 87 of the federal Act	348			
Other deductions (see note below):				
Share of adjusted net loss of partnerships and joint ventures **	328			
Tax payable on dividends under subsection 191.1(1) of the federal Act **multiplied** by 3	334			
Interest deducted/deductible under paragraph 20(1)(c) or (d) of the federal Act, not already included in net income/loss	336			
Patronage dividends paid (from Schedule 16) not already included in net income/loss	338			
381 2017 Reg. movement in deferred tax	382	209,000		
383	384			
385	386			
387	388			
389	390			
Subtotal		209,000	▶	209,000 B
Adjusted net income/loss for CMT purposes (line 210 **plus** amount A **minus** amount B)	490			199,000

If the amount on line 490 is positive and the corporation is subject to CMT as determined in Part 1, enter the amount on line 515 in Part 3.

If the amount on line 490 is negative, enter the amount on line 760 in Part 7 (enter as a positive amount).

Note

In accordance with *Ontario Regulation 37/09*, when calculating net income for CMT purposes, accounting income should be adjusted to:

– exclude unrealized gains and losses due to mark-to-market changes or foreign currency changes on specified mark-to-market property (assets only);
– include realized gains and losses on the disposition of specified mark-to-market property not already included in the accounting income, if the property is not a capital property or is a capital property disposed in the year or in a previous tax year ended after March 22, 2007.

"Specified mark-to-market property" is defined in subsection 54(1) of the Ontario Act.

These rules also apply to partnerships. A corporate partner's share of a partnership's adjusted income flows through on a proportionate basis to the corporate partner.

* **Rules for net income/loss**

– Banks must report net income/loss as per the report accepted by the Superintendent of Financial Institutions under the federal *Bank Act*, adjusted so consolidation and equity methods are not used.

Part 2 – Calculation of adjusted net income/loss for CMT purposes (continued)

– Life insurance corporations must report net income/loss as per the report accepted by the federal Superintendent of Financial Institutions or equivalent provincial insurance regulator, before SAT and adjusted so consolidation and equity methods are not used. If the life insurance corporation is resident in Canada and carries on business in and outside of Canada, **multiply** the net income/loss by the ratio of the Canadian reserve liabilities **divided** by the total reserve liability. The reserve liabilities are calculated in accordance with Regulation 2405(3) of the federal Act.

– Other corporations must report net income/loss in accordance with generally accepted accounting principles, except that consolidation and equity methods must not be used. When the equity method has been used for accounting purposes, equity losses and equity income are removed from book income/loss on lines 224 and 324 respectively.

– Corporations, other than insurance corporations, should report net income from line 9999 of the GIFI (Schedule 125) on line 210.

** The share of the adjusted net income of a partnership or joint venture is calculated as if the partnership or joint venture were a corporation and the tax year of the partnership or joint venture were its fiscal period. For a corporation with an indirect interest in a partnership through one or more partnerships, determine the corporation's share according to clause 54(5)(c) of the Ontario Act.

*** A joint election will be considered made under subsection 60(1) of the Ontario Act if there is an entry on line 342, and an election has been made for transfer of property to a corporation under subsection 85(1) of the federal Act.

**** A joint election will be considered made under subsection 60(2) of the Ontario Act if there is an entry on line 344, and an election has been made under subsection 85(2) or 97(2) of the federal Act.

***** A joint election will be considered made under subsection 61(1) of the Ontario Act if there is an entry on line 346, and an election has been made under subsection 13(4) or 14(6) and/or section 44 of the federal Act.

For more information on how to complete this part, see the *T2 Corporation – Income Tax Guide*.

Part 3 – CMT payable

Adjusted net income for CMT purposes (line 490 in Part 2, if positive)		515	199,000	
Deduct:				
CMT loss available (amount R from Part 7)				
Minus: Adjustment for an acquisition of control *	518			
Adjusted CMT loss available		▶		C
Net income subject to CMT calculation (if negative, enter "0")		520	199,000	

Amount from line 520: 199,000 x Number of days in the tax year before July 1, 2010 / Number of days in the tax year (365) x 4 % = ______ 1

Amount from line 520: 199,000 x Number of days in the tax year after June 30, 2010 (365) / Number of days in the tax year (365) x 2.7 % = 5,373 2

Subtotal (amount 1 **plus** amount 2) 5,373 3

Gross CMT: amount on line 3 above x OAF **	540	5,373	
Deduct:			
Foreign tax credit for CMT purposes ***	550		
CMT after foreign tax credit deduction (line 540 **minus** line 550) (if negative, enter "0")		5,373	D
Deduct:			
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)			
Net CMT payable (if negative, enter "0")		5,373	E

Enter amount E on line 278 of Schedule 5, *Tax Calculation Supplementary – Corporations*, and complete Part 4.

* Enter the portion of CMT loss available that exceeds the adjusted net income for the tax year from carrying on a business before the acquisition of control. See subsection 58(3) of the Ontario Act.

*** Enter "0" on line 550 for life insurance corporations as they are not eligible for this deduction. For all other corporations, enter the cumulative total of amount J for the province of Ontario from Part 9 of Schedule 21 on line 550.

** **Calculation of the Ontario allocation factor (OAF):**

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "Ontario," enter "1" on line F.

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "multiple," complete the following calculation, and enter the result on line F:

Ontario taxable income **** / Taxable income ***** = ______

Ontario allocation factor 1.00000 F

**** Enter the amount allocated to Ontario from column F in Part 1 of Schedule 5. If the taxable income is nil, calculate the amount in column F as if the taxable income were $1,000.

*****Enter the taxable income amount from line 360 or amount Z of the T2 return, whichever applies. If the taxable income is nil, enter "1,000".

Part 4 – Calculation of CMT credit carryforward

CMT credit carryforward at the end of the previous tax year *			G	
Deduct:				
CMT credit expired *	600			
CMT credit carryforward at the beginning of the current tax year * (see note below)			▶ 620	
Add:				
CMT credit carryforward balances transferred on an amalgamation or the windup of a subsidiary (see note below)			650	
CMT credit available for the tax year (amount on line 620 **plus** amount on line 650)				H
Deduct:				
CMT credit deducted in the current tax year (amount P from Part 5)				I
Subtotal (amount H **minus** amount I)				J
Add:				
Net CMT payable (amount E from Part 3)		5,373		
SAT payable (amount O from Part 6 of Schedule 512)				
Subtotal		5,373	▶ 5,373	K
CMT credit carryforward at the end of the tax year (amount J **plus** amount K)			670 5,373	L

* For the first harmonized T2 return filed with a tax year that includes days in 2009:
- do not enter an amount on line G or line 600;
- for line 620, enter the amount from line 2336 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line G the amount from line 670 of Schedule 510 from the previous tax year.

Note: If you entered an amount on line 620 or line 650, complete Part 6.

Part 5 – Calculation of CMT credit deducted from Ontario corporate income tax payable

CMT credit available for the tax year (amount H from Part 4)				M
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)			1	
For a corporation that is not a life insurance corporation:				
CMT after foreign tax credit deduction (amount D from Part 3)	5,373 2			
For a life insurance corporation:				
Gross CMT (line 540 from Part 3)	3			
Gross SAT (line 460 from Part 6 of Schedule 512)	4			
The **greater** of amounts 3 and 4	5			
Deduct: line 2 or line 5, whichever applies:		5,373	6	
Subtotal (if negative, enter "0")			▶	N
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)				
Deduct:				
Total refundable tax credits excluding Ontario qualifying environmental trust tax credit (amount J6 **minus** line 450 from Schedule 5)		8,613		
Subtotal (if negative, enter "0")			▶	O
CMT credit deducted in the current tax year (least of amounts M, N, and O)				P

Enter amount P on line 418 of Schedule 5 and on line I in Part 4 of this schedule.

Is the corporation claiming a CMT credit earned before an acquisition of control? 675 1 Yes ☐ 2 No ☒

If you answered **yes** to the question at line 675, the CMT credit deducted in the current tax year may be restricted. For information on how the deduction may be restricted, see subsections 53(6) and (7) of the Ontario Act.

Part 6 – Analysis of CMT credit available for carryforward by year of origin

Complete this part if:
- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	CMT credit balance *
10th previous tax year	680
9th previous tax year	681
8th previous tax year	682
7th previous tax year	683
6th previous tax year	684
5th previous tax year	685
4th previous tax year	686
3rd previous tax year	687
2nd previous tax year	688
1st previous tax year	689
Total **	

* CMT credit that was earned (by the corporation, predecessors of the corporation, and subsidiaries wound up into the corporation) in each of the previous 10 tax years and has not been deducted.

** Must equal the total of the amounts entered on lines 620 and 650 in Part 4.

Part 7 – Calculation of CMT loss carryforward

CMT loss carryforward at the end of the previous tax year * . . . . ______ Q

Deduct:

CMT loss expired * . . . . 700 ______

CMT loss carryforward at the beginning of the tax year * (see note below) . . . . ______ ► 720 ______

Add:

CMT loss transferred on an amalgamation under section 87 of the federal Act ** (see note below) . . . . 750 ______

CMT loss available (line 720 **plus** line 750) . . . . ______ R

Deduct:

CMT loss deducted against adjusted net income for the tax year (lesser of line 490 (if positive) and line C in Part 3) . . . . ______

Subtotal (if negative, enter "0") ______ S

Add:

Adjusted net loss for CMT purposes (amount from line 490 in Part 2, if **negative**) (enter as a positive amount) . . . . 760 ______

CMT loss carryforward balance at the end of the tax year (amount S **plus** line 760) . . . . 770 ______ T

* For the first harmonized T2 return filed with a tax year that includes days in 2009:
- do not enter an amount on line Q or line 700;
- for line 720, enter the amount from line 2214 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line Q the amount from line 770 of Schedule 510 from the previous tax year.

** Do not include an amount from a predecessor corporation if it was controlled at any time before the amalgamation by any of the other predecessor corporations.

Note: If you entered an amount on line 720 or line 750, complete Part 8.

Part 8 – Analysis of CMT loss available for carryforward by year of origin

Complete this part if:

- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	Balance earned in a tax year ending before March 23, 2007 *	Balance earned in a tax year ending after March 22, 2007 **
10th previous tax year	810	820
9th previous tax year	811	821
8th previous tax year	812	822
7th previous tax year	813	823
6th previous tax year	814	824
5th previous tax year	815	825
4th previous tax year	816	826
3rd previous tax year	817	827
2nd previous tax year	818	828
1st previous tax year		829
Total ***		

* Adjusted net loss for CMT purposes that was earned (by the corporation, by subsidiaries wound up into or amalgamated with the corporation before March 22, 2007, and by other predecessors of the corporation) in each of the previous 10 tax years that ended before March 23, 2007, and has not been deducted.

** Adjusted net loss for CMT purposes that was earned (by the corporation and its predecessors, but not by a subsidiary predecessor) in each of the previous 20 tax years that ended after March 22, 2007, and has not been deducted.

*** The total of these two columns must equal the total of the amounts entered on lines 720 and 750.

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SCHEDULE 511

ONTARIO CORPORATE MINIMUM TAX – TOTAL ASSETS AND REVENUE FOR ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2017-12-31

- For use by corporations to report the total assets and total revenue of all the Canadian or foreign corporations with which the filing corporation was associated at any time during the tax year. These amounts are required to determine if the filing corporation is subject to corporate minimum tax.
- Total assets and total revenue include the associated corporation's share of any partnership(s)/joint venture(s) total assets and total revenue.
- Attach additional schedules if more space is required.
- File this schedule with the *T2 Corporation Income Tax Return.*

	Names of associated corporations 200	Business number (Canadian corporation only) (see Note 1) 300	Total assets* (see Note 2) 400	Total revenue** (see Note 2) 500
1	InnServices Utilities Inc.	81689 7326 RC0001	255,553,000	14,235,000
2	Town of Innisfil	NR	100,000,000	50,000,000
3	Innterprises Inc.	86556 4595 RC0001	1,537,763	153,127
		Total	450 357,090,763	550 64,388,127

Enter the total assets from line 450 on line 116 in Part 1 of Schedule 510, *Ontario Corporate Minimum Tax*.
Enter the total revenue from line 550 on line 146 in Part 1 of Schedule 510.

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

Note 2: If the associated corporation does not have a tax year that ends in the filing corporation's current tax year but was associated with the filing corporation in the previous tax year of the filing corporation, enter the total revenue and total assets from the tax year of the associated corporation that ends in the previous tax year of the filing corporation.

*** Rules for total assets**

- Report total assets in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- Include the associated corporation's share of the total assets of partnership(s) and joint venture(s) but exclude the recorded asset(s) for the investment in partnerships and joint ventures.
- Exclude unrealized gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.

**** Rules for total revenue**

- Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- If the associated corporation has 2 or more tax years ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of those tax years by 365 and **divide** by the total number of days in all of those tax years.
- If the associated corporation's tax year is less than 51 weeks and is the only tax year of the associated corporation that ends in the filing corporation's tax year, **multiply** the associated corporation's total revenue by 365 and **divide** by the number of days in the associated corporation's tax year.
- Include the associated corporation's share of the total revenue of partnerships and joint ventures.
- If the partnership or joint venture has 2 or more fiscal periods ending in the associated corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.

T2 SCH 511

Canada

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 546

CORPORATIONS INFORMATION ACT ANNUAL RETURN FOR ONTARIO CORPORATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2017-12-31

- This schedule should be completed by a corporation that is incorporated, continued, or amalgamated in Ontario and subject to the Ontario *Business Corporations Act* (BCA) or Ontario *Corporations Act* (CA), except for registered charities under the federal *Income Tax Act*. This completed schedule serves as a *Corporations Information Act* Annual Return under the *Ontario Corporations Information Act*.
- Complete parts 1 to 4. Complete parts 5 to 7 only to report change(s) in the information recorded on the Ontario Ministry of Government Services (MGS) public record.
- This schedule must set out the required information for the corporation as of the date of delivery of this schedule.
- A completed Ontario *Corporations Information Act* Annual Return must be delivered within six months after the end of the corporation's tax year-end. The MGS considers this return to be delivered on the date that it is filed with the Canada Revenue Agency (CRA) together with the corporation's income tax return.
- It is the corporation's responsibility to ensure that the information shown on the MGS public record is accurate and up-to-date. To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. Visit **www.ServiceOntario.ca** for more information.
- This schedule contains non-tax information collected under the authority of the Ontario *Corporations Information Act*. This information will be sent to the MGS for the purposes of recording the information on the public record maintained by the MGS.

Part 1 – Identification

100 Corporation's name (exactly as shown on the MGS public record)

InnPower Corporation

Jurisdiction incorporated, continued, or amalgamated, whichever is the most recent	**110** Date of incorporation or amalgamation, whichever is the most recent (Year Month Day)	**120** Ontario Corporation No.
Ontario	2000-10-05	7284940

Part 2 – Head or registered office address (P.O. box not acceptable as stand-alone address)

200 Care of (if applicable)

210 Street number	**220** Street name/Rural route/Lot and Concession number	**230** Suite number
2073	COMMERCE PARK DR	

240 Additional address information if applicable (line 220 must be completed first)

250 Municipality (e.g., city, town)	**260** Province/state	**270** Country	**280** Postal/zip code
INNISFIL	ON	CA	L9S 4A2

Part 3 – Change identifier

Have there been any changes in any of the information most recently filed for the public record maintained by the MGS for the corporation with respect to names, addresses for service, and the date elected/appointed and, if applicable, the date the election/appointment ceased of the directors and five most senior officers, or with respect to the corporation's mailing address or language of preference? To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. For more information, visit **www.ServiceOntario.ca**.

300 1 If there have been no changes, enter **1** in this box and then go to "Part 4 – Certification."
If there are changes, enter **2** in this box and complete the applicable parts on the next page, and then go to "Part 4 – Certification."

Part 4 – Certification

I certify that all information given in this *Corporations Information Act* Annual Return is true, correct, and complete.

450 McAllister (Last name) **451** Glen (First name)

454 ______________________ , (Middle name(s))

460 2 Please enter one of the following numbers in this box for the above-named person: **1** for director, **2** for officer, or **3** for other individual having knowledge of the affairs of the corporation. If you are a director and officer, enter **1** or **2**.

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

Complete the applicable parts to report changes in the information recorded on the MGS public record.

Part 5 – Mailing address

500 Please enter one of the following numbers in this box:
1 - Show no mailing address on the MGS public record.
2 - The corporation's mailing address is the same as the head or registered office address in Part 2 of this schedule.
3 - The corporation's complete mailing address is as follows:

510 Care of (if applicable)

520 Street number	**530** Street name/Rural route/Lot and Concession number	**540** Suite number

550 Additional address information if applicable (line 530 must be completed first)

560 Municipality (e.g., city, town)	**570** Province/state	**580** Country	**590** Postal/zip code

Part 6 – Language of preference

600 Indicate your language of preference by entering **1** for English or **2** for French. This is the language of preference recorded on the MGS public record for communications with the corporation. It may be different from line 990 on the T2 return.

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SCHEDULE 550

ONTARIO CO-OPERATIVE EDUCATION TAX CREDIT

Name of corporation	Business Number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2017-12-31

- Use this schedule to claim an Ontario co-operative education tax credit (CETC) under section 88 of the *Taxation Act, 2007* (Ontario).
- The CETC is a refundable tax credit that is equal to an eligible percentage (10% to 30%) of the eligible expenditures incurred by a corporation for a qualifying work placement. The maximum credit amount is $1,000 for each qualifying work placement ending before March 27, 2009, and $3,000 for each qualifying work placement beginning after March 26, 2009. For a qualifying work placement that straddles March 26, 2009, the maximum credit amount is prorated.
- Eligible expenditures are salaries and wages (including taxable benefits) paid or payable to a student in a qualifying work placement, or fees paid or payable to an employment agency for services performed by the student in a qualifying work placement. These expenditures must be paid on account of employment or services, as applicable, at a permanent establishment of the corporation in Ontario. Expenditures for a work placement (WP) are not eligible expenditures if they are greater than the amounts that would be paid to an arm's length employee.
- A WP must meet all of the following conditions to be a qualifying work placement:
  - the student performs employment duties for a corporation under a qualifying co-operative education program (QCEP);
  - the WP has been developed or approved by an eligible educational institution as a suitable learning situation;
  - the terms of the WP require the student to engage in productive work;
  - the WP is for a period of at least 10 consecutive weeks or, in the case of an internship program, not less than 8 consecutive months and not more than 16 consecutive months;
  - the student is paid for the work performed in the WP;
  - the corporation is required to supervise and evaluate the job performance of the student in the WP;
  - the institution monitors the student's performance in the WP; and
  - the institution has certified the WP as a qualifying work placement.
- Make sure you keep a copy of the letter of certification from the Ontario eligible educational institution containing the name of the student, the employer, the institution, the term of the WP, and the name/discipline of the QCEP to support the claim. Do not submit the letter of certification with the *T2 Corporation Income Tax Return*.
- File this schedule with the *T2 Corporation Income Tax Return*.

Part 1 – Corporate information

110 Name of person to contact for more information: Lisa McCaskie

120 Telephone number including area code: (705) 431-6870

Is the claim filed for a CETC earned through a partnership?* . . . . . **150** 1 Yes [ ] 2 No [X]

If you answered **yes** to the question at line 150, what is the name of the partnership? . . . . . **160** ____

Enter the percentage of the partnership's CETC allocated to the corporation . . . . . **170** ____ %

* When a corporate member of a partnership is claiming an amount for eligible expenditures incurred by a partnership, complete a Schedule 550 for the partnership as if the partnership were a corporation. Each corporate partner, other than a limited partner, should file a separate Schedule 550 to claim the partner's share of the partnership's CETC. The allocated amounts can not exceed the amount of the partnership's CETC.

Part 2 – Eligibility

1. Did the corporation have a permanent establishment in Ontario in the tax year? . . . . . **200** 1 Yes [X] 2 No [ ]
2. Was the corporation exempt from tax under Part III of the *Taxation Act*, 2007 (Ontario)? . . . . . **210** 1 Yes [ ] 2 No [X]

If you answered **no** to question 1 or **yes** to question 2, then the corporation is **not eligible** for the CETC.

Part 3 – Eligible percentage for determining the eligible amount

Corporation's salaries and wages paid in the previous tax year * **300** 1,000,000

For eligible expenditures incurred before March 27, 2009:

- If line 300 is $400,000 or less, enter 15% on line 310.
- If line 300 is $600,000 or more, enter 10% on line 310.
- If line 300 is more than $400,000 and less than $600,000, enter the percentage on line 310 using the following formula:

$$\text{Eligible percentage} = 15\,\% - \left[5\,\% \times \left(\frac{\text{amount on line 300 } \textbf{minus } \$\ 400{,}000}{\$\ 200{,}000} \right) \right]$$

Eligible percentage for determining the eligible amount . . . . **310** 10.000 %

For eligible expenditures incurred after March 26, 2009:

- If line 300 is $400,000 or less, enter 30% on line 312.
- If line 300 is $600,000 or more, enter 25% on line 312.
- If line 300 is more than $400,000 and less than $600,000, enter the percentage on line 312 using the following formula:

$$\text{Eligible percentage} = 30\,\% - \left[5\,\% \times \left(\frac{\text{amount on line 300 } \textbf{minus } \$\ 400{,}000}{\$\ 200{,}000} \right) \right]$$

Eligible percentage for determining the eligible amount . . . . **312** 25.000 %

* If this is the first tax year of an amalgamated corporation and subsection 88(9) of the *Taxation Act, 2007* (Ontario) applies, enter the salaries and wages paid in the previous tax year by the predecessor corporations.

Part 4 – Calculation of the Ontario co-operative education tax credit

Complete a separate entry for each student for each qualifying work placement that ended in the corporation's tax year. If a qualifying work placement would otherwise exceed four consecutive months, divide the WP into periods of four consecutive months and enter each full period of four consecutive months as a separate WP. If the WP does not divide equally into four-month periods and if the period that is less than 4 months is 10 or more consecutive weeks, then enter that period as a separate WP. If that period is less than 10 consecutive weeks, then include it with the WP for the last period of 4 consecutive months. Consecutive WPs with two or more associated corporations are deemed to be with only one corporation, as designated by the corporations.

	A Name of university, college, or other eligible educational institution **400**	B Name of qualifying co-operative education program **405**
1.	Georgian College	Electrical Engineering
2.	Georgian College	Electrical Engineering
3.	Georgian College	Computer Studies
4.	Georgian College	Computer Studies
5.		

	C Name of student **410**	D Start date of WP (see note 1 below) **430**	E End date of WP (see note 2 below) **435**
1.	Trevor Recalla	2017-01-01	2017-04-30
2.	Samuel Hoover	2017-09-01	2017-12-31
3.	Jonathan Stamos	2017-09-01	2017-12-31
4.	Chaz Crocker	2017-05-01	2017-08-31
5.			

Note 1: When the WP has been divided into separate periods because it exceeds four consecutive months, enter the start date for the separate WP.

Note 2: When the WP has been divided into separate periods because it exceeds four consecutive months, enter the end date for the separate WP.

Part 4 – Calculation of the Ontario co-operative education tax credit (continued)

	F1 Eligible expenditures before March 27, 2009 (see note 1 below) 450	Eligible percentage before March 27, 2009 (from line 310 in Part 3)	F2 Eligible expenditures after March 26, 2009 (see note 1 below) 452	Eligible percentage after March 26, 2009 (from line 310a in Part 3)	X Number of consecutive weeks of the WP completed by the student before March 27, 2009 (see note 3 below)	Y Total number of consecutive weeks of the student's WP (see note 3 below)
1.		10.000 %	7,160	25.000 %		17
2.		10.000 %	8,752	25.000 %		17
3.		10.000 %	8,688	25.000 %		17
4.		10.000 %	9,851	25.000 %		17
5.		10.000 %		25.000 %		

	G Eligible amount (eligible expenditures **multiplied** by eligible percentage) (see note 2 below) 460	H Maximum CETC per WP (see note 3 below) 462	I CETC on eligible expenditures (column G or H, whichever is less) 470	J CETC on repayment of government assistance (see note 4 below) 480	K CETC for each WP (column I or column J) 490
1.	1,790	3,000	1,790		1,790
2.	2,188	3,000	2,188		2,188
3.	2,172	3,000	2,172		2,172
4.	2,463	3,000	2,463		2,463
5.					

Ontario co-operative education tax credit (total of amounts in column K) 500 8,613 L

or, if the corporation answered **yes** at line 150 in Part 1, determine the partner's share of amount L:

Amount L ______ x percentage on line 170 in Part 1 ______ % = ... ______ M

Enter amount L or M, whichever applies, on line 452 of Schedule 5, *Tax Calculation Supplementary – Corporations*. If you are filing more than one Schedule 550, add the amounts from line L or M, whichever applies, on all the schedules and enter the total amount on line 452 of Schedule 5.

Note 1: Reduce eligible expenditures by all government assistance, as defined under subsection 88(21) of the *Taxation Act, 2007* (Ontario), that the corporation has received, is entitled to receive, or may reasonably expect to receive, for the eligible expenditures, on or before the filing due date of the *T2 Corporation Income Tax Return* for the tax year.

Note 2: Calculate the eligible amount (Column G) using the following formula:

Column G = (column F1 x percentage on line 310) + (column F2 x percentage on line 312)

Note 3: If the WP ends before March 27, 2009, the maximum credit amount for the WP is $1,000.
If the WP begins after March 26, 2009, the maximum credit amount for the WP is $3,000.
If the WP begins before March 27, 2009, and ends after March 26, 2009, calculate the maximum credit amount using the following formula:

($1,000 x X/Y) + [$3,000 x (Y – X)/Y]

where "X" is the number of consecutive weeks of the WP completed by the student before March 27, 2009, and "Y" is the total number of consecutive weeks of the student's WP.

Note 4: When claiming a CETC for repayment of government assistance, complete a **separate entry** for each repayment and complete columns A to E and J and K with the details for the previous year WP in which the government assistance was received. Include the amount of government assistance repaid in the tax year multiplied by the eligible percentage for the tax year in which the government assistance was received, to the extent that the government assistance reduced the CETC in that tax year.

Appendix 6-2-1 (B) 2018 Tax Return

200

Canada Revenue Agency / Agence du revenu du Canada

T2 Corporation Income Tax Return

EXEMPT FROM TAX

055 **Do not use this area**

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

All legislative references on this return are to the federal Income Tax Act and Income Tax Regulations. This return may contain changes that had not yet become law at the time of publication.

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

For more information see **canada.ca/taxes** or Guide T4012, T2 Corporation – Income Tax Guide.

Identification

Business number (BN) 001 89242 2817 RC0001

Corporation's name

002 InnPower Corporation

Address of head office

Has this address changed since the last time we were notified? . . . . 010 Yes [ ] No [X]

If **yes**, complete lines 011 to 018.

011 7251 Yonge Street

012

City	Province, territory, or state
015 Innisfil	016 ON
Country (other than Canada)	Postal or ZIP code
017	018 L9S 0J3

Mailing address (if different from head office address)

Has this address changed since the last time we were notified? . . . . 020 Yes [ ] No [X]

If **yes**, complete lines 021 to 028.

021 c/o

022 7251 Yonge Street

023

City	Province, territory, or state
025 Innisfil	026 ON
Country (other than Canada)	Postal or ZIP code
027	028 L9S 0J3

Location of books and records (if different from head office address)

Has this address changed since the last time we were notified? . . . . 030 Yes [ ] No [X]

If **yes**, complete lines 031 to 038.

031 7251 Yonge Street

032

City	Province, territory, or state
035 Innisfil	036 ON
Country (other than Canada)	Postal or ZIP code
037	038 L9S 0J3

040 **Type of corporation at the end of the tax year** (tick one)

- [X] 1 Canadian-controlled private corporation (CCPC)
- [ ] 2 Other private corporation
- [ ] 3 Public corporation
- [ ] 4 Corporation controlled by a public corporation
- [ ] 5 Other corporation (specify)

If the type of corporation changed during the tax year, provide the effective date of the change . . . . 043 Year Month Day

To which tax year does this return apply?

	Tax year start		Tax year-end
	Year Month Day		Year Month Day
060	2018-01-01	061	2018-12-31

Has there been an acquisition of control resulting in the application of subsection 249(4) since the tax year start on line 060? . . . . 063 Yes [ ] No [X]

If **yes**, provide the date control was acquired . . . . 065 Year Month Day

Is the date on line 061 a deemed tax year-end according to subsection 249(3.1)? . . . . 066 Yes [ ] No [X]

Is the corporation a professional corporation that is a member of a partnership? . . . . 067 Yes [ ] No [X]

Is this the first year of filing after:

Incorporation? . . . . 070 Yes [ ] No [X]

Amalgamation? . . . . 071 Yes [ ] No [X]

If **yes**, complete lines 030 to 038 and attach Schedule 24.

Has there been a wind-up of a subsidiary under section 88 during the current tax year? . . . . 072 Yes [ ] No [X]

If **yes**, complete and attach Schedule 24.

Is this the final tax year before amalgamation? . . . . 076 Yes [ ] No [X]

Is this the final return up to dissolution? . . . . 078 Yes [ ] No [X]

If an election was made under section 261, state the functional currency used 079

Is the corporation a resident of Canada? 080 Yes [X] No [ ]

If **no**, give the country of residence on line 081 and complete and attach Schedule 97.

081

Is the non-resident corporation claiming an exemption under an income tax treaty? . . . . 082 Yes [ ] No [X]

If **yes**, complete and attach Schedule 91.

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

085
- [ ] 1 Exempt under paragraph 149(1)(e) or (l)
- [ ] 2 Exempt under paragraph 149(1)(j)
- [ ] 3 Exempt under paragraph 149(1)(t) (for tax years starting before 2019)
- [X] 4 Exempt under other paragraphs of section 149

Do not use this area

095 096 898

Attachments

Financial statement information: Use GIFI schedules 100, 125, and 141.
Schedules – Answer the following questions. For each **yes** response, **attach** the schedule to the T2 return, unless otherwise instructed.

		Yes	Schedule
Is the corporation related to any other corporations?	150	X	9
Is the corporation an associated CCPC?	160	X	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	161		49
Does the corporation have any non-resident shareholders who own voting shares?	151		19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
If you answered **yes** to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
Is the corporation claiming a loss or deduction from a tax shelter?	166		T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	167		T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust (without reference to section 94)?	168		22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	169		25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the Income Tax Regulations?	170		29
Did the corporation have a total amount over CAN$1 million of reportable transactions with non-arm's length non-residents?	171		T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172		———
Does the corporation earn income from one or more Internet web pages or websites?	180		88
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
Has the corporation made any charitable donations; gifts of cultural or ecological property; or gifts of medicine?	202	X	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203		3
Is the corporation claiming any type of losses?	204	X	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205		5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	206		6
i) Is the corporation a CCPC and reporting a) income or loss from property (other than dividends deductible on line 320 of the T2 return), b) income from a partnership, c) income from a foreign business, d) income from a personal services business, e) income referred to in clause 125(1)(a)(i)(C) or 125(1)(a)(i)(B), f) aggregate investment income as defined in subsection 129(4), or g) an amount assigned to it under subsection 125(3.2) or 125(8); or ii) Is the corporation a member of a partnership and assigning its specified partnership business limit to a designated member under subsection 125(8)?	207	X	7
Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
Does the corporation have any resource-related deductions?	212		12
Is the corporation claiming deductible reserves?	213		13
Is the corporation claiming a patronage dividend deduction?	216		16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or a provincial credit union tax reduction?	217		17
Is the corporation an investment corporation or a mutual fund corporation?	218		18
Is the corporation carrying on business in Canada as a non-resident corporation?	220		20
Is the corporation claiming any federal, provincial, or territorial foreign tax credits, or any federal logging tax credits?	221		21
Does the corporation have any Canadian manufacturing and processing profits?	227		27
Is the corporation claiming an investment tax credit?	231		31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232		T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over $10,000,000?	233	X	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over $10,000,000?	234	X	———
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
Is the corporation claiming a Part I tax credit?	242		42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
Is the corporation subject to Part II – Tobacco Manufacturers' surtax?	249		46
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250		39
Is the corporation claiming a Canadian film or video production tax credit?	253		T1131
Is the corporation claiming a film or video production services tax credit?	254		T1177
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	255		92

Attachments (continued)

		Yes	Schedule
Did the corporation have any foreign affiliates in the tax year?	271		T1134
Did the corporation own or hold specified foreign property where the total cost amount of all such property, at any time in the year, was more than CAN$100,000?	259		T1135
Did the corporation transfer or loan property to a non-resident trust?	260		T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261		T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262		T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263		T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264		T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	265		55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	266		T2002
Has the corporation revoked any previous election made under subsection 89(11)?	267		T2002
Did the corporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its general rate income pool (GRIP) change in the tax year?	268		53
Did the corporation (other than a CCPC or DIC) pay eligible dividends, or did its low rate income pool (LRIP) change in the tax year?	269		54

Additional information

		Yes	No
Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	X	
Is the corporation inactive?	280		X

What is the corporation's main revenue-generating business activity? 221122 Electric Power Distribution

Specify the principal products mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

284	Electricity distributor	285	100.000 %
286		287	%
288		289	%

		Yes	No
Did the corporation immigrate to Canada during the tax year?	291		X
Did the corporation emigrate from Canada during the tax year?	292		X
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293		

If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible 294 Year Month Day

If the corporation's major business activity is construction, did you have any subcontractors during the tax year? 295 Yes No

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI	300		863,113	A
Deduct:				
Charitable donations from Schedule 2	311	11,070		
Cultural gifts from Schedule 2	313			
Ecological gifts from Schedule 2	314			
Gifts of medicine made before March 22, 2017, from Schedule 2	315			
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320			
Part VI.1 tax deduction*	325			
Non-capital losses of previous tax years from Schedule 4	331	833,827		
Net capital losses of previous tax years from Schedule 4	332			
Restricted farm losses of previous tax years from Schedule 4	333			
Farm losses of previous tax years from Schedule 4	334			
Limited partnership losses of previous tax years from Schedule 4	335			
Taxable capital gains or taxable dividends allocated from a central credit union	340			
Prospector's and grubstaker's shares	350			
Subtotal		844,897 ▶	844,897	B
Subtotal (amount A **minus** amount B) (if negative, enter "0")			18,216	C
Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355			D
Taxable income (amount C **plus** amount D)	360		18,216	
Income exempt under paragraph 149(1)(t) (for tax years starting before 2019)	370			
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 **minus** line 370)				Z
Taxable income for the year from a personal services business				Z.1

* This amount is equal to 3.5 times the Part VI.1 tax payable at line 724 on page 9.

Small business deduction

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

Income eligible for the small business deduction from Schedule 7	400	2,140,113	A
Taxable income from line 360 on page 3, **minus** 100/28 (3.57143) of the amount on line 632* on page 8, **minus** 4 times the amount on line 636** on page 8, and **minus** any amount that, because of federal law, is exempt from Part I tax	405		B
Business limit (see notes 1 and 2 below)	410	500,000	C

Notes:

1. For CCPCs that are not associated, enter $ 500,000 on line 410. However, if the corporation's tax year is less than 51 weeks, prorate this amount by the number of days in the tax year **divided** by 365, and enter the result on line 410.
2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

Business limit reduction

Taxable capital business limit reduction

Amount C 500,000 x 415 *** 443,126 D / 11,250 = 19,694,489 E

Passive income business limit reduction

Adjusted aggregate investment income from Schedule 7**** 417 ______ – 50,000 = ______ F

Amount C 500,000 / 100,000 x Amount F ______ = ______ G

Subtotal (the greater of amount E and amount G)	422	19,694,489	H
Reduced business limit for tax years starting before 2019 (amount C **minus** amount E) (if negative, enter "0")	425		I
Reduced business limit for tax years starting after 2018 (amount C **minus** amount H) (if negative, enter "0")	426		J
Business limit the CCPC assigns under subsection 125(3.2) (from line 515 on page 5)			K
Reduced business limit after assignment for tax years starting before 2019 (amount I **minus** amount K)	427		L
Reduced business limit after assignment for tax years starting after 2018 (amount J **minus** amount K)	428		M

Small business deduction

Tax years starting before 2019

Amount A, B, C, or L, whichever is the least ______ x Number of days in the tax year before January 1, 2018 ______ / Number of days in the tax year 365 x 17.5 % = ______ 1

Amount A, B, C, or L, whichever is the least ______ x Number of days in the tax year after December 31, 2017, and before January 1, 2019 365 / Number of days in the tax year 365 x 18 % = ______ 2

Amount A, B, C, or L, whichever is the least ______ x Number of days in the tax year after December 31, 2018 ______ / Number of days in the tax year 365 x 19 % = ______ 3

Tax years starting after 2018

Amount A, B, C, or M, whichever is the least ______ x 19 % = ______ 4

Small business deduction (total of amounts 1 to 4) 430 ______ N

Enter amount N at amount J on page 8.

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

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

*** **Large corporations**

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

**** Enter the total adjusted aggregate investment income of the corporation and all associated corporations. For the first tax year starting after 2018, use the total of lines 744 of Schedule 7. Otherwise, use the total of lines 745 of the preceding tax year.

Small business deduction (continued)

Specified corporate income and assignment under subsection 125(3.2)

	O1 Name of corporation receiving the income and assigned amount	O Business number of the corporation receiving the assigned amount 490	P Income paid under clause 125(1)(a)(i)(B) to the corporation identified in column O [3] 500	Q Business limit assigned to corporation identified in column O [4] 505
1.				
			Total 510	Total 515

Notes:

3. This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts each of which is income from an active business of the corporation for the year from the provision of services or property to a private corporation (directly or indirectly, in any manner whatever) if
   (A) at any time in the year, the corporation (or one of its shareholders) or a person who does not deal at arm's length with the corporation (or one of its shareholders) holds a direct or indirect interest in the private corporation, and
   (B) it is not the case that all or substantially all of the corporation's income for the year from an active business is from the provision of services or property to
   - (I) persons (other than the private corporation) with which the corporation deals at arm's length, or
   - (II) partnerships with which the corporation deals at arm's length, other than a partnership in which a person that does not deal at arm's length with the corporation holds a direct or indirect interest.
4. The amount of the business limit you assign to a CCPC cannot be greater than the amount determined by the formula A – B, where A is the amount of income referred to in column P in respect of that CCPC and B is the portion of the amount described in A that is deductible by you in respect of the amount of income referred to in clauses 125(1)(a)(i)(A) or (B) for the year. The amount on line 515 cannot be greater than the amount on line 425 (426 for tax years starting after 2018).

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the tax year

Taxable income from page 3 (line 360 or amount Z, whichever applies)				A
Lesser of amounts 9B and 9H from Part 9 of Schedule 27			B	
Amount 13K from Part 13 of Schedule 27			C	
Personal services business income	432		D	
Amount from line 400, 405, 410, or 427 (428 instead of 427 for tax years starting after 2018) on page 4, whichever is the least			E	
Aggregate investment income from line 440 on page 6*			F	
Subtotal (**add** amounts B to F)			▶	G
Amount A **minus** amount G (if negative, enter "0")				H
General tax reduction for Canadian-controlled private corporations – Amount H **multiplied** by 13 %				I

Enter amount I on line 638 on page 8.

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

General tax reduction

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

Taxable income from page 3 (line 360 or amount Z, whichever applies)				J
Lesser of amounts 9B and 9H from Part 9 of Schedule 27			K	
Amount 13K from Part 13 of Schedule 27			L	
Personal services business income	434		M	
Subtotal (**add** amounts K to M)			▶	N
Amount J **minus** amount N (if negative, enter "0")				O
General tax reduction – Amount O **multiplied** by 13 %				P

Enter amount P on line 639 on page 8.

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the tax year

Aggregate investment income from Schedule 7 440	x 30 2/3 % =		A
Foreign non-business income tax credit from line 632 on page 8			B
Foreign investment income from Schedule 7 445	x 8 % =		C
Subtotal (amount B **minus** amount C) (if negative, enter "0")			D
Amount A **minus** amount D (if negative, enter "0")			E
Taxable income from line 360 on page 3	18,216		F
Amount from line 400, 405, 410, or 427 (428 instead of 427 for tax years starting after 2018) on page 4, whichever is the least			G
Foreign non-business income tax credit from line 632 on page 8	x 75 / 29 =		H
Foreign business income tax credit from line 636 on page 8 . .	x 4 =		I
Subtotal (**add** amounts G to I)			J
Subtotal (amount F **minus** amount J) (if negative, enter "0")	18,216 K x 30 2/3 % =	5,586	L
Part I tax payable minus investment tax credit refund (line 700 **minus** line 780 from page 9)			M
Refundable portion of Part I tax – Amount E, L, or M, whichever is the least 450			N

Refundable dividend tax on hand (for tax years starting before 2019)

Refundable dividend tax on hand at the end of the previous tax year 460			
Dividend refund for the previous tax year 465			
Subtotal (line 460 **minus** line 465)			O
Refundable portion of Part I tax from line 450 above			P
Total Part IV tax payable from Schedule 3			Q
Net refundable dividend tax on hand transferred on an amalgamation or the wind-up of a subsidiary 480			
Subtotal (amount P **plus** amount Q **plus** line 480)			R
Refundable dividend tax on hand at the end of the tax year – Amount O **plus** amount R 485			

Dividend refund (for tax years starting before 2019)

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

Taxable dividends paid in the tax year from line 460 on page 3 of Schedule 3	x 38 1/3 % =		S
Refundable dividend tax on hand at the end of the tax year from line 485 above			T
Dividend refund – Amount S or T, whichever is less			U

Enter amount U on line 784 on page 9.

Refundable dividend tax on hand (for tax years starting after 2018)

Refundable dividend tax on hand (RDTOH) at the end of the previous tax year	460			
Dividend refund for the previous tax year	465			
Net RDTOH transferred on an amalgamation or the wind-up of a subsidiary	480			
Subtotal (line 460 **minus** line 465 **plus** line 480)				A
General rate income pool (GRIP) at the end of the previous tax year (from line 100 of schedule 53)				B
Total eligible dividends paid in the previous tax year (from line 300 of schedule 53)			C	
Total excessive eligible dividend designation in the previous tax year (from line 310 of Schedule 53)			D	
Subtotal (amount C **minus** amount D) (if negative, enter "0")			▶	E
Net GRIP at the end of the previous tax year (amount B **minus** amount E) (if negative, enter "0")			F	
GRIP transferred on an amalgamation or the wind-up of a subsidiary (total of lines 230 and 240 of schedule 53)			G	
Subtotal (amount F **plus** amount G)			▶	H
Amount H **multiplied** by 38 1 / 3 %				I
Eligible refundable dividend tax on hand (ERDTOH) at the end of the previous tax year (for the first tax year starting after 2018, amount A or I, whichever is less, otherwise, use line 530 ________ of the preceding tax year)			520	J
Non-eligible refundable dividend tax on hand (NERDTOH) at the end of the previous tax year (for the first tax year starting after 2018, amount A **minus** amount I, otherwise, use line 545 ________ of the preceding tax year) (if negative, enter "0")			535	K
Part IV tax payable on taxable dividends from connected corporations (amount 2G from Schedule 3)			L	
Part IV tax payable on eligible dividends from non-connected corporations (amount 2J from Schedule 3)			M	
Subtotal (amount L **plus** amount M)			▶	N
Net ERDTOH transferred on an amalgamation or the wind-up of a subsidiary			525	O
ERDTOH dividend refund for the previous tax year			570	P
Refundable portion of Part I tax (from line 450 on page 6)				Q
Part IV tax before deductions (amount 2A from Schedule 3)			R	
Part IV tax allocated to ERDTOH (amount N)			S	
Part IV tax reduction due to Part IV.1 tax payable (amount 4D of Schedule 43)			T	
Subtotal (amount R **minus** total of amounts S and T)			▶	U
Net NERDTOH transferred on an amalgamation or the wind-up of a subsidiary			540	V
NERDTOH dividend refund for the previous tax year			575	W
38 1/3% of the total losses applied against Part IV tax (amount 2D from Schedule 3)				X
Part IV tax payable allocated to NERDTOH, net of losses claimed (amount U **minus** amount X) (if negative enter "0")				Y
NERDTOH at the end of the tax year* (total of amounts K, Q, V, and Y **minus** amount W) (if negative, enter "0")			545	
Part IV tax payable allocated to ERDTOH, net of losses claimed (amount N **minus** amount X **plus** amount U, if amount X is greater than amount U, otherwise, amount N.) (if negative, enter "0")				Z
ERDTOH at the end of the tax year* (total of amounts J, O, and Z **minus** amount P) (if negative, enter "0")			530	

* For more information, consult the Help (F1).

Dividend refund (for tax years starting after 2018)

38 1/3% of total eligible dividends paid in the tax year (amount 3A from Schedule 3)	AA
ERDTOH balance at the end of the tax year (line 530)	BB
Eligible dividend refund (amount AA or BB, whichever is less)	CC
38 1/3% of total non-eligible taxable dividends paid in the tax year (amount 3B from Schedule 3)	DD
NERDTOH balance at the end of the tax year (line 545)	EE
Non-eligible dividend refund (amount DD or EE, whichever is less)	FF
Amount DD **minus** amount EE (if negative, enter "0")	GG
Amount BB **minus** amount CC (if negative, enter "0")	HH
Additional non-eligible dividend refund (amount GG or HH, whichever is less)	II
Dividend refund* – Amount CC **plus** amount FF **plus** amount II	JJ

Enter amount JJ on line 784 on page 9.

* For more information, consult the Help (F1).

Part I tax

Base amount Part I tax – Taxable income from page 3 (line 360 or amount Z, whichever applies) **multiplied** by 38 %			550		A
Additional tax on personal services business income (section 123.5)					
Taxable income from a personal services business	555	x 5 % =	560		B
Recapture of investment tax credit from Schedule 31			602		C

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

Aggregate investment income from line 440 on page 6			D
Taxable income from line 360 on page 3	18,216	E	
Deduct:			
Amount from line 400, 405, 410, or 427 (428 instead of 427 for tax years starting after 2018) on page 4, whichever is the least		F	
Net amount (amount E **minus** amount F)	18,216 ▶	18,216	G

Refundable tax on CCPC's investment income – 10 2 / 3 % of whichever is less: amount D or amount G	604		H
Subtotal (**add** amounts A, B, C, and H)			I

Deduct:

Small business deduction from line 430 on page 4			J	
Federal tax abatement	608			
Manufacturing and processing profits deduction from Schedule 27	616			
Investment corporation deduction	620			
Taxed capital gains 624				
Federal foreign non-business income tax credit from Schedule 21	632			
Federal foreign business income tax credit from Schedule 21	636			
General tax reduction for CCPCs from amount I on page 5	638			
General tax reduction from amount P on page 5	639			
Federal logging tax credit from Schedule 21	640			
Eligible Canadian bank deduction under section 125.21	641			
Federal qualifying environmental trust tax credit	648			
Investment tax credit from Schedule 31	652			
Subtotal			▶	K

Part I tax payable – Amount I **minus** amount K		L

Enter amount L on line 700 on page 9.

Privacy statement

Personal information is collected under the Income Tax Act to administer tax, benefits, and related programs. It may also be used for any purpose related to the enforcement of the Act such as audit, compliance and collections activities. It may be shared or verified with other federal, provincial, territorial or foreign government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties or other actions. Under the Privacy Act, individuals have the right to access, or request correction of, their personal information, or to file a complaint with the Privacy Commissioner of Canada regarding the handling of their personal information. Refer to Personal Information Bank CRA PPU 047 at **canada.ca/cra-info-source**.

Summary of tax and credits

Federal tax

Part I tax payable from amount L on page 8	700	
Part II surtax payable from Schedule 46	708	
Part III.1 tax payable from Schedule 55	710	
Part IV tax payable from Schedule 3	712	
Part IV.1 tax payable from Schedule 43	716	
Part VI tax payable from Schedule 38	720	
Part VI.1 tax payable from Schedule 43	724	
Part XIII.1 tax payable from Schedule 92	727	
Part XIV tax payable from Schedule 20	728	
Total federal tax		

Add provincial or territorial tax:

Provincial or territorial jurisdiction 750 ON

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

Net provincial or territorial tax payable (except Quebec and Alberta)	760	
Total tax payable	770	A

Deduct other credits:

Investment tax credit refund from Schedule 31	780	
Dividend refund from amount U on page 6 or JJ on page 7	784	
Federal capital gains refund from Schedule 18	788	
Federal qualifying environmental trust tax credit refund	792	
Canadian film or video production tax credit (Form T1131)	796	
Film or video production services tax credit (Form T1177)	797	
Tax withheld at source	800	
Total payments on which tax has been withheld	801	
Provincial and territorial capital gains refund from Schedule 18	808	
Provincial and territorial refundable tax credits from Schedule 5	812	
Tax instalments paid	840	
Labour tax credit for qualifying journalism organizations		
Total credits	890	B

Balance (amount A **minus** amount B)

Refund code 894

Refund

If the result is negative, you have a **refund**.
If the result is positive, you have a **balance owing**.
Enter the amount on whichever line applies.
Generally, we do not charge or refund a difference of $2 or less.

Balance owing

For information on how to make your payment, go to **canada.ca/payments**.

Direct deposit request

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

☐ Start ☐ Change information

910 Branch number

914 Institution number

918 Account number

If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due? 896 Yes ☐ No X

If this return was prepared by a tax preparer for a fee, provide their EFILE number 920 A6698

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

Certification

I, 950 McAllister (Last name) 951 Glen (First name) 954 CFO (Position, office, or rank),

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

955 2019-06-19 Date (yyyy/mm/dd)

Signature of the authorized signing officer of the corporation

956 (705) 431-6870 Telephone number

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

958 Lisa McCaskie Name of other authorized person

959 (705) 431-6870 Telephone number

Language of correspondence – Langue de correspondance

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

990 1

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 100

Form identifier 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Corporation's name	Business number	Tax year end Year Month Day
InnPower Corporation	89242 2817 RC0001	2018-12-31

Balance sheet information

Account	Description	GIFI		Current year	Prior year
	Assets				
	Total current assets	1599	+	10,947,000	10,426,000
	Total tangible capital assets	2008	+	81,416,000	75,939,000
	Total accumulated amortization of tangible capital assets	2009	–	11,200,000	8,653,000
	Total intangible capital assets	2178	+		
	Total accumulated amortization of intangible capital assets	2179	–		
	Total long-term assets	2589	+	4,411,000	2,823,000
	* Assets held in trust	2590	+		
	Total assets (mandatory field)	2599	=	85,574,000	80,535,000
	Liabilities				
	Total current liabilities	3139	+	8,642,000	9,076,000
	Total long-term liabilities	3450	+	54,422,000	51,369,000
	* Subordinated debt	3460	+		
	* Amounts held in trust	3470	+		
	Total liabilities (mandatory field)	3499	=	63,064,000	60,445,000
	Shareholder equity				
	Total shareholder equity (mandatory field)	3620	+	22,510,000	20,090,000
	Total liabilities and shareholder equity	3640	=	85,574,000	80,535,000
	Retained earnings				
	Retained earnings/deficit – end (mandatory field)	3849	=	10,032,000	7,612,000

***** Generic item

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

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 125

Form identifier 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Corporation's name	Business number	Tax year end Year Month Day
InnPower Corporation	89242 2817 RC0001	2018-12-31

Income statement information

Description	GIFI	
Operating name	0001	
Description of the operation	0002	
Sequence number	0003	01

Account	Description	GIFI		Current year	Prior year
	Income statement information				
	Total sales of goods and services	8089	+	41,722,000	40,259,000
	Cost of sales	8518	–	31,777,000	31,698,000
	Gross profit/loss	8519	=	9,945,000	8,561,000
	Cost of sales	8518	+	31,777,000	31,698,000
	Total operating expenses	9367	+	9,707,000	9,831,000
	Total expenses (mandatory field)	9368	=	41,484,000	41,529,000
	Total revenue (mandatory field)	8299	+	43,161,000	40,931,000
	Total expenses (mandatory field)	9368	–	41,484,000	41,529,000
	Net non-farming income	9369	=	1,677,000	-598,000
	Farming income statement information				
	Total farm revenue (mandatory field)	9659	+		
	Total farm expenses (mandatory field)	9898	–		
	Net farm income	9899	=		
	Net income/loss before taxes and extraordinary items	9970	=	1,677,000	-598,000
	Total other comprehensive income	9998	=		
	Extraordinary items and income (linked to Schedule 140)				
	Extraordinary item(s)	9975	–		
	Legal settlements	9976	–		
	Unrealized gains/losses	9980	+		
	Unusual items	9985	–	-1,482,000	-833,000
	Current income taxes	9990	–	226,000	-67,000
	Future (deferred) income tax provision	9995	–	513,000	267,000
	Total – Other comprehensive income	9998	+		
	Net income/loss after taxes and extraordinary items (mandatory field)	9999	=	2,420,000	35,000

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Canada Revenue Agency / Agence du revenu du Canada

Schedule 141

Notes Checklist

Corporation's name	Business number	Tax Year End Year Month Day
InnPower Corporation	89242 2817 RC0001	2018-12-31

- Parts 1, 2, and 3 of this schedule must be completed from the perspective of the person (referred to in these parts as the **accountant**) who prepared or reported on the financial statements. If the person preparing the tax return is not the accountant referred to above, they must still complete Parts 1, 2, 3, and 4, as applicable.
- For more information, see Guide RC4088, *General Index of Financial Information (GIFI)* and T4012, *T2 Corporation – Income Tax Guide.*
- Complete this schedule and include it with your T2 return along with the other GIFI schedules.

Part 1 – Information on the accountant who prepared or reported on the financial statements

Does the accountant have a professional designation? . . . . . **095** Yes [X] No [ ]

Is the accountant connected* with the corporation? . . . . . **097** Yes [ ] No [X]

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

* 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 with the financial statements

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

Completed an auditor's report . . . . . 1 [X]
Completed a review engagement report . . . . . 2 [ ]
Conducted a compilation engagement . . . . . 3 [ ]

Part 3 – Reservations

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

Has the accountant expressed a reservation? . . . . . **099** Yes [ ] No [X]

Part 4 – Other information

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

Prepared the tax return (financial statements prepared by client) . . . . . 1 [X]
Prepared the tax return and the financial information contained therein (financial statements have not been prepared) . . . . . 2 [ ]

Were notes to the financial statements prepared? . . . . . **101** Yes [X] No [ ]

If **yes**, complete lines 104 to 107 below:

Are subsequent events mentioned in the notes? . . . . . **104** Yes [ ] No [X]
Is re-evaluation of asset information mentioned in the notes? . . . . . **105** Yes [ ] No [X]
Is contingent liability information mentioned in the notes? . . . . . **106** Yes [ ] No [X]
Is information regarding commitments mentioned in the notes? . . . . . **107** Yes [X] No [ ]
Does the corporation have investments in joint venture(s) or partnership(s)? . . . . . **108** Yes [ ] No [X]

Part 4 – Other information (continued)

Impairment and fair value changes

In any of the following assets, was an amount recognized in net income or other comprehensive income (OCI) as a result of an impairment loss in the tax year, a reversal of an impairment loss recognized in a previous tax year, or a change in fair value during the tax year? . . . . . 200 Yes [ ] No [X]

If **yes**, enter the amount recognized:

		In net income Increase (decrease)		**In OCI** Increase (decrease)
Property, plant, and equipment	210		211	
Intangible assets	215		216	
Investment property	220			
Biological assets	225			
Financial instruments	230		231	
Other	235		236	

Financial instruments

Did the corporation derecognize any financial instrument(s) during the tax year (other than trade receivables)? . . . . . 250 Yes [ ] No [X]

Did the corporation apply hedge accounting during the tax year? . . . . . 255 Yes [ ] No [X]

Did the corporation discontinue hedge accounting during the tax year? . . . . . 260 Yes [ ] No [X]

Adjustments to opening equity

Was an amount included in the opening balance of retained earnings or equity, in order to correct an error, to recognize a change in accounting policy, or to adopt a new accounting standard in the current tax year? . . . . . 265 Yes [ ] No [X]

If **yes**, you have to maintain a separate reconciliation.

SCHEDULE 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Form identifier 100

Name of corporation	Business Number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2018-12-31

Assets – lines 1000 to 2599

1000	213,000	1060	5,159,000	1120	662,000
1480	4,531,000	1484	382,000	1599	10,947,000
1600	2,065,089	1601	394,000	1602	-66,000
1680	12,704,911	1681	-975,000	1740	58,803,000
1741	-7,288,000	1774	952,000	1775	-745,000
1785	5,230,000	1786	-2,126,000	1900	1,267,000
2008	81,416,000	2009	-11,200,000	2420	4,411,000
2589	4,411,000	2599	85,574,000		

Liabilities – lines 2600 to 3499

2620	7,250,000	2680	177,000	2700	1,176,000
2960	39,000	3139	8,642,000	3140	35,135,000
3240	742,000	3320	18,545,000	3450	54,422,000
3499	63,064,000				

Shareholder equity – lines 3500 to 3640

3500	10,852,000	3541	1,600,000	3580	26,000
3600	10,032,000	3620	22,510,000	3640	85,574,000

Retained earnings – lines 3660 to 3849

3660	7,612,000	3680	2,420,000	3849	10,032,000

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

SCHEDULE 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Form identifier 125

Name of corporation	Business Number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2018-12-31

Description

Sequence number **0003** 01

Revenue – lines 8000 to 8299

8000	41,722,000	8089	41,722,000	8090	16,000
8210	-11,000	8230	1,434,000	8299	43,161,000

Cost of sales – lines 8300 to 8519

8320	31,777,000	8518	31,777,000	8519	9,945,000

Operating expenses – lines 8520 to 9369

8523	20,029	8670	2,503,000	8740	1,293,000
9284	5,890,971	9367	9,707,000	9368	41,484,000
9369	1,677,000				

Extraordinary items and taxes – lines 9970 to 9999

9970	1,677,000	9985	-1,482,000	9990	226,000
9995	513,000	9999	2,420,000		

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

Canada Revenue Agency / Agence du revenu du Canada

Net Income (Loss) for Income Tax Purposes

Schedule 1

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2018-12-31

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes. For more information, see the T2 *Corporation – Income Tax Guide*.
- All legislative references are to the *Income Tax Act*.

Net income (loss) after taxes and extraordinary items from line 9999 of Schedule 125			2,420,000	A
Add:				
Provision for income taxes – current	101	226,000		
Provision for income taxes – deferred	102	513,000		
Interest and penalties on taxes	103	35		
Amortization of tangible assets	104	2,503,000		
Loss on disposal of assets	111	11,000		
Charitable donations and gifts from Schedule 2	112	11,070		
Non-deductible meals and entertainment expenses	121	10,015		
Reserves from financial statements – balance at the end of the year	126	178,083		
Subtotal of additions		3,452,203 ▶	3,452,203	

Other additions:

Miscellaneous other additions:

	1 Description 605	2 Amount 295
1	Inducement under 12(1)(x) ITA	1,368,457
2	Amortization expensed in distribution expenses	89,889
3	Customer Deposits - paragraph 20(1)(a)	491,482
	Total of column 2	1,949,828

Total of column 2 ▶	296	1,949,828		
Subtotal of other additions	199	1,949,828 ▶	1,949,828	
Total additions	500	5,402,031 ▶	5,402,031	B
Amount A **plus** amount B			7,822,031	C
Deduct:				
Capital cost allowance from Schedule 8	403	3,884,828		
Reserves from financial statements – balance at the beginning of the year	414	156,696		
Subtotal of deductions		4,041,524 ▶	4,041,524	

Other deductions:

Miscellaneous other deductions:

	1 Description 705	2 Amount 395
1	13(7.4) electon re contributed capital	1,359,844
2	Customer Deposits - paragraph 20(1)(m)	491,482
3	Amortization of deferred contribution	446,161
4	2018 tax movement in reg. account	513,000
5	Co-op credits applied against wages	21,449
6	Gov't asistance adding back for SR&ED	4,839
7	SR&ED expenditures capitalized for accounting	80,619
	Total of column 2	2,917,394

Total of column 2 ▶ 396 2,917,394

Subtotal of other deductions	499	2,917,394 ▶	2,917,394	
Total deductions	510	6,958,918 ▶	6,958,918	D
Net income (loss) for income tax purposes (amount C **minus** amount D)			863,113	E

Enter amount E on line 300 of the T2 return.

Inducement

This form is used to calculate inducements that a corporation must add to its income under paragraph 12(1)(x) ITA. If an amount reduces the capital cost of a property, this amount will be indicated in Part "Tax credits whose amount should reduce the capital cost of property."

If you want to transfer an amount to Schedule 1 and include it in the corporation's income for tax purposes, select the corresponding check box in column A. You can also select the option **Select this check box to add all the amounts to income calculated in Schedule 1** to transfer all the amounts to Schedule 1. In either case, the column A check box will be selected for that amount and it will therefore be updated to Schedule 1.

Tax credits whose amount should be added to income

Ontario

A		
	Portion of the Ontario research and development tax credit that relates to the prescribed proxy amount (PPA) and portion of the Ontario investment tax credit that relates to contributions made to SR&ED farming organizations	
X	Ontario co-operative education tax credit	8,613
	Ontario apprenticeship training tax credit	
	Ontario computer animation and special effects tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Ontario film and television tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Ontario production services tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Ontario interactive digital media tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Ontario sound recording tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Ontario book publishing tax credit	
	Portion of the Ontario innovation tax credit that relates to the prescribed proxy amount (PPA) and portion of the Ontario investment tax credit that relates to contributions made to SR&ED farming organizations	
	Ontario business-research institute tax credit	
	Ontario community food program donation tax credit for farmers	

Other amounts

A		
X	Contributed capital for fixed assets	1,359,844
	Total	1,359,844

Tax credits whose amount should reduce the capital cost of property

Canada Revenue Agency / Agence du revenu du Canada

Schedule 2

Charitable Donations and Gifts

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2018-12-31

- For use by corporations to claim any of the following:
  - the eligible amount of charitable donations to qualified donees
  - the Ontario, Nova Scotia, and British Columbia food donation tax credits for farmers
  - the eligible amount of gifts of certified cultural property
  - the eligible amount of gifts of certified ecologically sensitive land or
  - the additional deduction for gifts of medicine made before March 22, 2017
- All legislative references are to the federal Income Tax Act, unless stated otherwise.
- The eligible amount of a gift is the amount by which the fair market value of the gifted property exceeds the amount of an advantage, if any, for the gift.
- The donations and gifts can be carried forward for 5 years except for gifts of certified ecologically sensitive land made after February 10, 2014, which can be carried forward for 10 years. Provincial food donation tax credits must be applied in the current tax year.
- Use this schedule to show a transfer of unused amounts from previous years following an amalgamation or the wind-up of a subsidiary as described under subsections 87(1) and 88(1).
- Subsection 110.1(1.2) provides as follows:
  - Where a particular corporation has undergone an acquisition of control, for tax years that end on or after the acquisition of control, no corporation can claim a deduction for a gift made by the particular corporation to a qualified donee before the acquisition of control.
  - If a particular corporation makes a gift to a qualified donee pursuant to an arrangement under which both the gift and the acquisition of control is expected, no corporation can claim a deduction for the gift unless the person acquiring control of the particular corporation is the qualified donee.
- An eligible medical gift made before March 22, 2017, to a qualifying organization for activities outside of Canada may be eligible for an additional deduction. Calculate the additional deduction in Part 5.
- File one completed copy of this schedule with your T2 Corporation Income Tax Return.
- For more information, see the T2 Corporation – Income Tax Guide.

Part 1 – Charitable donations

Charity/Recipient	Amount ($100 or more only)
Innisfil Soccer Club	150
Innisfil YMCA	250
United Way	10,000
Innisfil Community Church	370
Youth Haven	300
Subtotal	11,070
Add: Total donations of less than $100 each	
Total donations in current tax year	11,070

Part 1 – Charitable donations

	Line	Federal		Québec	Alberta
Charitable donations at the end of the previous tax year			A		
Charitable donations expired after 5 tax years*	239				
Charitable donations at the beginning of the current tax year (amount A **minus** line 239)	240				
Charitable donations transferred on an amalgamation or the wind-up of a subsidiary	250				
Total charitable donations made in the current year (include this amount on line 112 of Schedule 1 Net Income (Loss) for Income Tax Purposes)	210	11,070		11,070	11,070
Subtotal (line 250 **plus** line 210)		11,070	B	11,070	11,070
Subtotal (line 240 **plus** amount B)		11,070	C	11,070	11,070
Adjustment for an acquisition of control	255				
Total charitable donations available (amount C **minus** line 255)		11,070	D	11,070	11,070
Amount applied in the current year against taxable income (cannot be more than amount L in Part 2) (enter this amount on line 311 of the T2 return)	260	11,070		11,070	11,070
Charitable donations closing balance (amount D **minus** line 260)	280				

The amount of qualifying donations for the Ontario community food program donation tax credit for farmers included in the amount on line 260 (for donations made after December 31, 2013) . . . **262** ______

Ontario community food program donation tax credit for farmers (amount on line 262 **multiplied** by 25 %) . . . ______ 1

Enter amount 1 on line 420 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the Ontario income tax otherwise payable or amount 1. For more information, see section 103.1.2 of the Taxation Act, 2007 (Ontario).

The amount of qualifying donations for the Nova Scotia food bank tax credit for farmers included in the amount on line 260 (for donations made after December 31, 2015) . . . **263** ______

Nova Scotia food bank tax credit for farmers (amount on line 263 **multiplied** by 25 %) . . . ______ 2

Enter amount 2 on line 570 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the Nova Scotia income tax otherwise payable or amount 2. For more information, see section 50A of the Nova Scotia Income Tax Act.

The amount of qualifying gifts for the British Columbia farmers' food donation tax credit included in the amount on line 260 (for donations made after February 16, 2016 and before January 1, 2020) . . . **265** ______

British Columbia farmers' food donation tax credit (amount on line 265 **multiplied** by 25 %) . . . ______ 3

Enter amount 3 on line 683 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the British Columbia income tax otherwise payable or amount 3. For more information, see section 20.1 of the British Columbia Income Tax Act.

* For federal and Alberta tax purposes, donations and gifts expire after five tax years. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, expire after five tax years; otherwise, donations and gifts expire after twenty tax years.

Amounts carried forward – Charitable donations

Year of origin:		Federal	Québec	Alberta
1st prior year	2017-12-31			
2nd prior year	2016-12-31			
3rd prior year	2015-12-31			
4th prior year	2014-12-31			
5th prior year	2013-12-31			
6th prior year*	2012-12-31			
7th prior year	2011-12-31			
8th prior year	2010-12-31			
9th prior year	2009-12-31			
10th prior year	2008-12-31			
11th prior year	2007-12-31			
12th prior year	2006-12-31			
13th prior year	2005-12-31			
14th prior year	2004-12-31			
15th prior year	2003-12-31			
16th prior year	2002-12-31			
17th prior year	2001-12-31			
18th prior year				
19th prior year				
20th prior year				
21st prior year*				
Total (to line A)				

* For federal and Alberta tax purposes, donations and gifts included on line *6th prior year* expire automatically in the current tax year. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, that are included on line *6th prior year* and donations and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Part 2 – Maximum allowable deduction for charitable donations

Net income for tax purposes* **multiplied** by 75 % ..... 647,335 E

Taxable capital gains arising in respect of gifts of capital property included in Part 1 ** 225

Taxable capital gain in respect of a disposition of a non-qualifying security under subsection 40(1.01) 227

The amount of the recapture of capital cost allowance in respect of charitable donations 230

Proceeds of disposition, **less** outlays and expenses** ..... F

Capital cost** ..... G

Amount F or G, whichever is less 235

Amount on line 230 or 235, whichever is less ..... H

Subtotal (**add** line 225, 227, and amount H) I

Amount I **multiplied** by 25 % ..... J

Subtotal (amount E **plus** amount J) ..... 647,335 K

Maximum allowable deduction for charitable donations (enter amount D from Part 1, amount K, or net income for tax purposes, whichever is less) ..... 11,070 L

* For credit unions, subsection 137(2) states that this amount is before the deduction of payments pursuant to allocations in proportion to borrowing and bonus interest.

** This amount must be prorated by the following calculation: eligible amount of the gift **divided by** the proceeds of disposition of the gift.

Part 3 – Gifts of certified cultural property

	Line	Federal		Québec	Alberta
Gifts of certified cultural property at the end of the previous tax year			M		
Gifts of certified cultural property expired after 5 tax years*	439				
Gifts of certified cultural property at the beginning of the current tax year (amount M **minus** line 439)	440				
Gifts of certified cultural property transferred on an amalgamation or the wind-up of a subsidiary	450				
Total gifts of certified cultural property in the current year (include this amount on line 112 of Schedule 1)	410				
Subtotal (line 450 **plus** line 410)			N		
Subtotal (line 440 **plus** amount N)			O		
Adjustment for an acquisition of control	455				
Amount applied in the current year against taxable income (enter this amount on line 313 of the T2 return)	460				
Subtotal (line 455 **plus** line 460)			P		
Gifts of certified cultural property closing balance (amount O **minus** amount P)	480				

* For federal and Alberta tax purposes, donations and gifts expire after five tax years. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, expire after five tax years; otherwise, donations and gifts expire after twenty tax years.

Amount carried forward – Gifts of certified cultural property

Year of origin:		Federal	Québec	Alberta
1st prior year	2017-12-31			
2nd prior year	2016-12-31			
3rd prior year	2015-12-31			
4th prior year	2014-12-31			
5th prior year	2013-12-31			
6th prior year*	2012-12-31			
7th prior year	2011-12-31			
8th prior year	2010-12-31			
9th prior year	2009-12-31			
10th prior year	2008-12-31			
11th prior year	2007-12-31			
12th prior year	2006-12-31			
13th prior year	2005-12-31			
14th prior year	2004-12-31			
15th prior year	2003-12-31			
16th prior year	2002-12-31			
17th prior year	2001-12-31			
18th prior year				
19th prior year				
20th prior year				
21st prior year*				
Total				

* For federal and Alberta tax purposes, donations and gifts included on line *6th prior year* expire automatically in the current tax year. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, that are included on line *6th prior year* and donations and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Part 4 – Gifts of certified ecologically sensitive land

		Federal		Québec	Alberta
Gifts of certified ecologically sensitive land at the end of the previous tax year			Q		
Gifts of certified ecologically sensitive land expired after 5 tax years, or after 10 tax years for gifts made after February 10, 2014*	539				
Gifts of certified ecologically sensitive land at the beginning of the current tax year (amount Q **minus** line 539)	540				
Gifts of certified ecologically sensitive land transferred on an amalgamation or the wind-up of a subsidiary	550				
Total current-year gifts of certified ecologically sensitive land (include this amount on line 112 of Schedule 1)	520				
Subtotal (line 550 **plus** line 520)			R		
Subtotal (line 540 **plus** amount R)			S		
Adjustment for an acquisition of control	555				
Amount applied in the current year against taxable income (enter this amount on line 314 of the T2 return)	560				
Subtotal (line 555 **plus** line 560)			T		
Gifts of certified ecologically sensitive land closing balance (amount S **minus** amount T)	580				

* For federal and Alberta tax purposes, donations and gifts made before February 11, 2014, expire after five tax years and gifts made after February 10, 2014, expire after ten tax years. For Québec tax purposes, donations and gifts made during a tax year that ended before March 24, 2006, expire after five tax years; otherwise, donation and gifts expire after twenty tax years.

Amounts carried forward – Gifts of certified ecologically sensitive land

Amount of carried forward gifts made on or after February 11, 2014, in the tax year including this date

Year of origin:		Federal	Québec	Alberta
1st prior year	2017-12-31			
2nd prior year	2016-12-31			
3rd prior year	2015-12-31			
4th prior year	2014-12-31			
5th prior year	2013-12-31			
6th prior year*	2012-12-31			
7th prior year	2011-12-31			
8th prior year	2010-12-31			
9th prior year	2009-12-31			
10th prior year	2008-12-31			
11th prior year*	2007-12-31			
12th prior year	2006-12-31			
13th prior year	2005-12-31			
14th prior year	2004-12-31			
15th prior year	2003-12-31			
16th prior year	2002-12-31			
17th prior year	2001-12-31			
18th prior year				
19th prior year				
20th prior year				
21st prior year*				
Total				

* For federal and Alberta tax purposes, donations and gifts made before February 11, 2014, that are included on line *6th prior year* and gifts that are included on line *11th prior year* expire automatically in the current year.

The field "Amount of carried forward gifts made on or after February 11, 2014, in the tax year including this date" is used to distinguish the portion of the gifts made in the tax year straddling February 11, 2014, that expires after ten tax years, from the portion that expires in the current tax year.

For Québec tax purposes, donations and gifts made during a tax year that ended before March 24, 2006, that are included on line *6th prior year* and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Part 5 – Additional deduction for gifts of medicine

		Federal		Québec	Alberta
Additional deduction for gifts of medicine at the end of the previous tax year			U		
Additional deduction for gifts of medicine expired after 5 tax years*	639				
Additional deduction for gifts of medicine at the beginning of the current tax year (amount U **minus** line 639)	640				
Additional deduction for gifts of medicine made before March 22, 2017 transferred on an amalgamation or the wind-up of a subsidiary	650				
Additional deduction for gifts of medicine made before March 22, 2017:					
Proceeds of disposition	602				
Cost of gifts of medicine made before March 22, 2017	601				
Subtotal (line 602 **minus** line 601)			V		
Amount V **multiplied** by 50 %			W		
Eligible amount of gifts	600				

Federal

a ______ x (b ______ / c) = Additional deduction for gifts of medicine made before March 22, 2017 . . . . **610** ______

Québec

a ______ x (b ______ / c) = Additional deduction for gifts of medicine made before March 22, 2017 . . . . ______

Alberta

a ______ x (b ______ / c) = Additional deduction for gifts of medicine made before March 22, 2017 . . . . ______

where:

a is the **lesser** of line 601 and amount W
b is the eligible amount of gifts (line 600)
c is the proceeds of disposition (line 602)

		Federal		Québec	Alberta
Subtotal (line 650 **plus** line 610)			X		
Subtotal (line 640 **plus** amount X)			Y		
Adjustment for an acquisition of control	655				
Amount applied in the current year against taxable income (enter this amount on line 315 of the T2 return)	660				
Subtotal (line 655 **plus** line 660)			Z		
Additional deduction for gifts of medicine closing balance (amount Y **minus** amount Z)	680				

* For federal and Alberta tax purposes, donations and gifts expire after five tax years. For Québec tax purposes, donations and gifts made in a tax year that ended before March 19, 2007, expire after five tax years; otherwise, donations and gifts expire after twenty tax years.

Amounts carried forward – Additional deduction for gifts of medicine

Year of origin:		Federal	Québec	Alberta
1st prior year	2017-12-31			
2nd prior year	2016-12-31			
3rd prior year	2015-12-31			
4th prior year	2014-12-31			
5th prior year	2013-12-31			
6th prior year*	2012-12-31			
7th prior year	2011-12-31			
8th prior year	2010-12-31			
9th prior year	2009-12-31			
10th prior year	2008-12-31			
11th prior year	2007-12-31			
12th prior year	2006-12-31			
13th prior year	2005-12-31			
14th prior year	2004-12-31			
15th prior year	2003-12-31			
16th prior year	2002-12-31			
17th prior year	2001-12-31			
18th prior year				
19th prior year				
20th prior year				
21st prior year*				
Total				

* For federal and Alberta tax purposes, donations and gifts included on line *6th prior year* expire automatically in the current tax year. For Québec tax purposes, donations and gifts made in a tax year that ended before March 19, 2007, that are included on line *6th prior year* and donations and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Québec – Gifts of musical instruments

Gifts of musical instruments at the end of the previous tax year		A
Deduct: Gifts of musical instruments expired after twenty tax years		B
Gifts of musical instruments at the beginning of the tax year		C
Add:		
Gifts of musical instruments transferred on an amalgamation or the wind-up of a subsidiary		D
Total current-year gifts of musical instruments		E
Subtotal (line D **plus** line E)		F
Deduct: Adjustment for an acquisition of control		G
Total gifts of musical instruments available		H
Deduct: Amount applied against taxable income (enter this amount on line 255 of form CO-17)		I
Gifts of musical instruments closing balance		J

Amounts carried forward – Gifts of musical instruments

Year of origin:		Québec
1st prior year	2017-12-31	
2nd prior year	2016-12-31	
3rd prior year	2015-12-31	
4th prior year	2014-12-31	
5th prior year	2013-12-31	
6th prior year*	2012-12-31	
7th prior year	2011-12-31	
8th prior year	2010-12-31	
9th prior year	2009-12-31	
10th prior year	2008-12-31	
11th prior year	2007-12-31	
12th prior year	2006-12-31	
13th prior year	2005-12-31	
14th prior year	2004-12-31	
15th prior year	2003-12-31	
16th prior year	2002-12-31	
17th prior year	2001-12-31	
18th prior year		
19th prior year		
20th prior year		
21st prior year*		
Total		

* These gifts expired in the current year.

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Schedule 4

Corporation Loss Continuity and Application

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2018-12-31

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

Part 1 – Non-capital losses

Determination of current-year non-capital loss

Net income (loss) for income tax purposes			863,113	A
Deduct: (increase a loss)				
Net capital losses deducted in the year (enter as a positive amount)		a		
Taxable dividends deductible under section 112 or subsections 113(1) or 138(6)		b		
Amount of Part VI.1 tax deductible under paragraph 110(1)(k)		c		
Amount deductible as prospector's and grubstaker's shares – Paragraph 110(1)(d.2)		d		
Subtotal (total of amounts a to d)		▶		B
Subtotal (amount A **minus** amount B; if positive, enter "0")				C
Deduct: (increase a loss)				
Section 110.5 or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions				D
Subtotal (amount C **minus** amount D)				E
Add: (decrease a loss)				
Current-year farm loss (the lesser of: the net loss from farming or fishing included in income and the non-capital loss before deducting the farm loss)				F
Current-year non-capital loss (amount E **plus** amount F; if positive, enter "0")				G

If amount G is negative, enter it on line 110 as a positive.

Continuity of non-capital losses and request for a carryback

Non-capital loss at the end of the previous tax year		833,827 e		
Deduct: Non-capital loss expired (note 1)	100	f		
Non-capital losses at the beginning of the tax year (amount e **minus** amount f)	102	833,827 ▶	833,827	H
Add:				
Non-capital losses transferred on an amalgamation or on the wind-up of a subsidiary (note 2) corporation	105	g		
Current-year non-capital loss (from amount G)	110	h		
Subtotal (amount g **plus** amount h)		▶		I
Subtotal (amount H **plus** amount I)			833,827	J

Note 1: A non-capital loss expires as follows:
- after **10** tax years if it arose in a tax year ending after March 22, 2004, and before 2006; and
- after **20** tax years if it arose in a tax year ending after 2005.

An allowable business investment loss becomes a net capital loss after **10** tax years if it arose in a tax year ending after March 22, 2004.

Note 2: Subsidiary is defined in subsection 88(1) as a taxable Canadian corporation of which 90% or more of each class of issued shares are owned by its parent corporation and the remaining shares are owned by persons that deal at arm's length with the parent corporation.

Part 1 – Non-capital losses (continued)

Deduct:

Other adjustments (includes adjustments for an acquisition of control)	150		i		
Section 80 – Adjustments for forgiven amounts	140		j		
Subsection 111(10) – Adjustments for fuel tax rebate			j.1		
Non-capital losses of previous tax years applied in the current tax year Enter amount k on line 331 of the T2 Return.	130	833,827	k		
Current and previous year non-capital losses applied against current-year taxable dividends subject to Part IV tax (note 3)	135		l		
Subtotal (total of amounts i to l)		833,827	►	833,827	K
Non-capital losses before any request for a carryback (amount J **minus** amount K)					L

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

First previous tax year to reduce taxable income	901		m		
Second previous tax year to reduce taxable income	902		n		
Third previous tax year to reduce taxable income	903		o		
First previous tax year to reduce taxable dividends subject to Part IV tax	911		p		
Second previous tax year to reduce taxable dividends subject to Part IV tax	912		q		
Third previous tax year to reduce taxable dividends subject to Part IV tax	913		r		
Total of requests to carry back non-capital losses to previous tax years (total of amounts m to r)			►		M
Closing balance of non-capital losses to be carried forward to future tax years (amount L **minus** amount M)				180	N

Note 3: Amount l is the total of lines 330 and 335 from Schedule 3, *Dividends Received, Taxable Dividends Paid, and Part IV Tax Calculation*.

Part 2 – Capital losses

Continuity of capital losses and request for a carryback

Capital losses at the end of the previous tax year	200		a		
Capital losses transferred on an amalgamation or on the wind-up of a subsidiary corporation	205		b		
Subtotal (amount a **plus** amount b)			►		A

Deduct:

Other adjustments (includes adjustments for an acquisition of control)	250		c		
Section 80 – Adjustments for forgiven amounts	240		d		
Subtotal (amount c **plus** amount d)			►		B
Subtotal (amount A **minus** amount B)					C
Add: Current-year capital loss (from the calculation on Schedule 6, *Summary of Dispositions of Capital Property*)			210		D
Unused non-capital losses that expired in the tax year (note 4)			e		
Allowable business investment losses (ABILs) that expired as non-capital losses at the end of the previous tax year (note 5)			f		
Enter amount e or f, whichever is less	215		g		
ABILs expired as non-capital losses: line 215 **multiplied** by 2.000000			220		E
Subtotal (total of amounts C to E)					F

Note

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

Note 4: If the loss was incurred in a tax year ending after March 22, 2004, determine the amount of the loss from the 11th previous tax year and enter the part of that loss that was not used in previous years and the current year on line e.

Note 5: If the ABILs were incurred in a tax year ending after March 22, 2004, enter the amount of the ABILs from the 11th previous tax year. Enter the full amount on line f.

Part 2 – Capital losses (continued)

Deduct: Capital losses from previous tax years applied against the current-year net capital gain (note 6)			225		G
Capital losses before any request for a carryback (amount F **minus** amount G)					H

Deduct – **Request to carry back capital loss to** (note 7):

	Capital gain (100%)		Amount carried back (100%)			
First previous tax year		951		h		
Second previous tax year		952		i		
Third previous tax year		953		j		
Subtotal (total of amounts h to j)				▶		I
Closing balance of capital losses to be carried forward to future tax years (amount H **minus** amount I)				280		J

Note 6: To get the net capital losses required to reduce the taxable capital gain included in the net income (loss) for the current-year tax, enter the amount from line 225 **divided** by 2 at line 332 of the T2 return.

Note 7: On line 225, 951, 952, or 953, whichever applies, enter the actual amount of the loss. When the loss is applied, divide this amount by 2. The result represents the 50% inclusion rate.

Part 3 – Farm losses

Continuity of farm losses and request for a carryback

Farm losses at the end of the previous tax year			a		
Deduct: Farm loss expired (note 8)	300		b		
Farm losses at the beginning of the tax year (amount a **minus** amount b)	302		▶		A
Add:					
Farm losses transferred on an amalgamation or on the wind–up of a subsidiary corporation	305		c		
Current-year farm loss (amount F in Part 1)	310		d		
Subtotal (amount c **plus** amount d)			▶		B
Subtotal (amount A **plus** amount B)					C
Deduct:					
Other adjustments (includes adjustments for an acquisition of control)	350		e		
Section 80 – Adjustments for forgiven amounts	340		f		
Farm losses of previous tax years applied in the current tax year Enter amount g on line 334 of the T2 Return.	330		g		
Current and previous year farm losses applied against current-year taxable dividends subject to Part IV tax (note 9)	335		h		
Subtotal (total of amounts e to h)			▶		D
Farm losses before any request for a carryback (amount C **minus** amount D)					E

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

First previous tax year to reduce taxable income	921		i		
Second previous tax year to reduce taxable income	922		j		
Third previous tax year to reduce taxable income	923		k		
First previous tax year to reduce taxable dividends subject to Part IV tax	931		l		
Second previous tax year to reduce taxable dividends subject to Part IV tax	932		m		
Third previous tax year to reduce taxable dividends subject to Part IV tax	933		n		
Subtotal (total of amounts i to n)			▶		F
Closing balance of farm losses to be carried forward to future tax years (amount E **minus** amount F)			380		G

Note 8: A farm loss expires as follows:
- after **10** tax years if it arose in a tax year ending before 2006; and
- after **20** tax years if it arose in a tax year ending after 2005.

Note 9: Amount h is the total of lines 340 and 345 from Schedule 3.

Part 4 – Restricted farm losses

Current-year restricted farm loss

Total losses for the year from farming business		485		A
Minus the deductible farm loss:				
(amount A above ______ – $2,500) **divided** by 2 = ______ a				
Amount a or $ 15,000 (note 10), whichever is less ▶			b	
	2,500		c	
Subtotal (amount b **plus** amount c)	2,500	▶	2,500	B
Current-year restricted farm loss (amount A **minus** amount B)				C

Continuity of restricted farm losses and request for a carryback

Restricted farm losses at the end of the previous tax year			d	
Deduct: Restricted farm loss expired (note 11)	400		e	
Restricted farm losses at the beginning of the tax year (amount d **minus** amount e)	402	▶		D
Add:				
Restricted farm losses transferred on an amalgamation or on the wind-up of a subsidiary corporation	405		f	
Current-year restricted farm loss (from amount C)	410		g	
Enter amount g on line 233 of Schedule 1, *Net Income (Loss) for Income Tax Purposes*.				
Subtotal (amount f **plus** amount g)		▶		E
Subtotal (amount D **plus** amount E)				F
Deduct:				
Restricted farm losses from previous tax years applied against current farming income	430		h	
Enter amount h on line 333 of the T2 return.				
Section 80 – Adjustments for forgiven amounts	440		i	
Other adjustments	450		j	
Subtotal (total of amounts h to j)		▶		G
Restricted farm losses before any request for a carryback (amount F **minus** amount G)				H

Deduct – Request to carry back restricted farm loss to:

First previous tax year to reduce farming income	941		k	
Second previous tax year to reduce farming income	942		l	
Third previous tax year to reduce farming income	943		m	
Subtotal (total of amounts k to m)		▶		I
Closing balance of restricted farm losses to be carried forward to future tax years (amount H **minus** amount I)	480			J

Note

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

Note 10: For tax years that end before March 21, 2013, use $6,250 instead of $15,000.

Note 11: A restricted farm loss expires as follows:

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

Part 5 – Listed personal property losses

Continuity of listed personal property loss and request for a carryback

Listed personal property losses at the end of the previous tax year			a		
Deduct: Listed personal property loss expired after 7 tax years	500		b		
Listed personal property losses at the beginning of the tax year (amount a **minus** amount b)	502		▶		A
Add: Current-year listed personal property loss (from Schedule 6)			510		B
Subtotal (amount A **plus** amount B)					C
Deduct:					
Listed personal property losses from previous tax years applied against listed personal property gains	530		c		
Enter amount c on line 655 of Schedule 6.					
Other adjustments	550		d		
Subtotal (amount c **plus** amount d)			▶		D
Listed personal property losses remaining before any request for a carryback (amount C **minus** amount D)					E
Deduct – **Request to carry back listed personal property loss to:**					
First previous tax year to reduce listed personal property gains	961		e		
Second previous tax year to reduce listed personal property gains	962		f		
Third previous tax year to reduce listed personal property gains	963		g		
Subtotal (total of amounts e to g)			▶		F
Closing balance of listed personal property losses to be carried forward to future tax years (amount E **minus** amount F)			580		G

Part 7 – Limited partnership losses

Current-year limited partnership losses

	1	2	3	4	5	6	7
	Partnership account number	Tax year ending yyyy/mm/dd	Corporation's share of limited partnership loss	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, farming losses, and resource expenses	Column 4 **minus** column 5 (if negative, enter "0")	Current -year limited partnership losses (column 3 **minus** column 6)
	600	602	604	606	608		620
1.							

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

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

	1	2	3	4	5	6	7
	Partnership account number	Tax year ending yyyy/mm/dd	Limited partnership losses at the end of the previous tax year and amounts transferred on an amalgamation or on the wind-up of a subsidiary	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, business or property losses, and resource expenses	Column 4 **minus** column 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
1.							

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

	1	2	3	4	5	6
	Partnership account number	Limited partnership losses at the end of the previous tax year	Limited partnership losses transferred in the year on an amalgamation or on the wind-up of a subsidiary	Current-year limited partnership losses (from line 620)	Limited partnership losses applied in the current year (must be equal to or less than line 650)	Current year limited partnership losses closing balance to be carried forward to future years (column 2 **plus** column 3 **plus** column 4 **minus** column 5)
	660	662	664	670	675	680
1.						

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

Note

If you need more space, you can attach more schedules.

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

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

In the case of the wind-up of a subsidiary, if the election is made, the non-capital loss, restricted farm loss, farm loss, or limited partnership loss of the subsidiary—that otherwise would become the loss of the parent corporation for a particular tax year starting after the wind–up began—will be considered as the loss of the parent corporation for its immediately preceding tax year and not for the particular year.

Note

This election is only applicable for wind-ups under subsection 88(1) that are reported on Schedule 24, *First-Time Filer after Incorporation, Amalgamation, or Winding-up of a Subsidiary into a Parent*.

Non-Capital Loss Continuity Workchart

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

Non-capital losses

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce Taxable income	Applied to reduce Part IV tax	Balance at end of year
Current	N/A				N/A		
1st preceding taxation year 2017-12-31	833,827	N/A		N/A	833,827		
2nd preceding taxation year 2016-12-31		N/A		N/A			
3rd preceding taxation year 2015-12-31		N/A		N/A			
4th preceding taxation year 2014-12-31		N/A		N/A			
5th preceding taxation year 2013-12-31		N/A		N/A			
6th preceding taxation year 2012-12-31		N/A		N/A			
7th preceding taxation year 2011-12-31		N/A		N/A			
8th preceding taxation year 2010-12-31		N/A		N/A			
9th preceding taxation year 2009-12-31		N/A		N/A			
10th preceding taxation year 2008-12-31		N/A		N/A			
11th preceding taxation year 2007-12-31		N/A		N/A			
12th preceding taxation year 2006-12-31		N/A		N/A			
13th preceding taxation year 2005-12-31		N/A		N/A			
14th preceding taxation year 2004-12-31		N/A		N/A			
15th preceding taxation year 2003-12-31		N/A		N/A			
16th preceding taxation year 2002-12-31		N/A		N/A			
17th preceding taxation year 2001-12-31		N/A		N/A			
18th preceding taxation year		N/A		N/A			
19th preceding taxation year		N/A		N/A			
20th preceding taxation year		N/A		N/A			*
Total	833,827				833,827		

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

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Schedule 7

Aggregate Investment Income and Income Eligible for the Small Business Deduction

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2018-12-31

- Use this schedule if you are a Canadian-controlled private corporation (CCPC) to calculate:
  - your aggregate investment income and foreign investment income, as defined in subsection 129(4), to determine the refundable portion of Part I tax, and your adjusted aggregate investment income, as defined in subsection 125(7), for the purpose of the business limit reduction
  - your **specified partnership income**, as defined in subsection 125(7), if you are a member (or **designated member**) of one or more partnerships, and
  - your income from an active business carried on in Canada eligible for the small business deduction including any **specified corporate income** as defined in subsection 125(7)
- Use this schedule if another CCPC is making an assignment of **business limit** under subsection 125(3.2) to you.
- Use this schedule if you are a corporation that is a member of a partnership to assign **specified partnership business limit** to a **designated member** under subsection 125(8).
  Note: If you are a corporation that is not a CCPC, **only** complete Table 1 (columns A1, B1, C1, G1, H1 and J1) and Table 3 to make this assignment.
- The adjusted aggregate investment income, for the purpose of the business limit reduction, also applies to a tax year of a corporation that begins before 2019 and ends after 2018 under the following circumstances:
  - the corporation's preceding tax year was, because of a transaction or event or a series of transactions or events, shorter than it would have been in the absence of that transaction, event or series, and
  - one of the reasons for the transaction, event or series was to defer the application of subsections 125(5.1), (5.2) and (7) to the corporation
- All legislative references are to the Income Tax Act.
- For more information, see **Small Business Deduction** and **Refundable Portion of Part I Tax** in Guide T4012, T2 Corporation – Income Tax Guide.
- See the notes at the end of the form.

Part 1 – Aggregate investment income

Aggregate investment income is all **world** source income.

Description	Line	Amount	Line	Amount	
Eligible portion of taxable capital gains for the year			002		
Eligible portion of allowable capital losses for the year (including allowable business investment losses)	012				
Net capital losses of previous years claimed on line 332 on the T2 return	022				
Subtotal (line 012 **plus** line 022)		▶			A
Line 002 **minus** amount A (if negative, enter "0")					B
Total income from property (include income from a specified investment business carried on in Canada other than income from a source outside Canada)	032	16,000			
Exempt income	042				
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for the year	052				
Taxable dividends deductible (total of column F on Schedule 3 **minus** related expenses)	062				
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)	072				
Subtotal (**add** lines 042, 052, 062 and 072) ▶					C
Subtotal (line 032 **minus** amount C)		16,000 ▶		16,000	D
Amount B **plus** amount D				16,000	E
Total losses from property (include losses from a specified investment business carried on in Canada other than a loss from a source outside Canada)			082	1,293,000	
Amount E **minus** line 082 (if negative, enter "0") (enter on line 440 of the T2 return)			092		

Part 2 – Adjusted aggregate investment income

Eligible portion of taxable capital gains for the year (other than taxable capital gains from the disposition of an active asset note 13)	705				
Eligible portion of allowable capital losses for the year (including allowable business investment losses) (other than allowable capital losses from the disposition of an active asset note 13)	710				
Subtotal (line 705 **minus** line 710) (if negative, enter "0")					F
Total income from property note 14	715		16,000		
Exempt income	720				
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for the year	725				
Dividends from connected corporations	730				
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)	735				
Subtotal (**add** lines 720, 725, 730 and 735)		▶			G
Subtotal (line 715 **minus** amount G)			16,000	▶ 16,000	H
Amount F **plus** amount H				16,000	I
Total losses from property note 14	740			1,293,000	
Amount, if any, deducted under subsection 91(4) in computing the corporation's income for the year	741				
Adjusted aggregate investment income (amount I **minus** line 740, **plus** line 741) (if negative, enter "0")	745				

If this is your first tax year starting after 2018, complete the following portion.

Eligible portion of taxable capital gains for each tax year that ended in the preceding calendar year (other than taxable capital gains from the disposition of an active asset note 13)					2A
Eligible portion of allowable capital losses for each tax year that ended in the preceding calendar year (including allowable business investment losses)(other than allowable capital losses from the disposition of an active asset note 13)					2B
Subtotal (amount 2A **minus** amount 2B) (if negative, enter "0")					2C
Total income from property for each tax year that ended in the preceding calendar year note 14				2D	
Exempt income for each tax year that ended in the preceding calendar year		2E			
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for each tax year that ended in the preceding calendar year		2F			
Dividends from connected corporations for each tax year that ended in the preceding calendar year		2G			
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a) for each tax year that ended in the preceding calendar year		2H			
Subtotal (**add** amounts 2E, 2F, 2G and 2H)		▶		2I	
Subtotal (amount 2D **minus** amount 2I)				▶	2J
Amount 2C **plus** amount 2J					2K
Total losses from property for each tax year that ended in the preceding calendar year note 14					2L
Amount, if any, deducted under subsection 91(4) in computing the corporation's income for each tax year that ended in the preceding calendar year	742				
Adjusted aggregate investment income (amount 2K **minus** amount 2L, **plus** line 742) (if negative, enter "0")	744				

(enter the total of line 744 and the adjusted aggregate investment income of all associated corporations on line 417 of the T2 return)

Part 3 – Foreign investment income

Foreign investment income is all income from sources **outside Canada**.

Eligible portion of taxable capital gains for the year				**001**	
Eligible portion of allowable capital losses for the year (including allowable business investment losses)				**009**	
Subtotal (line 001 **minus** line 009) (if negative, enter "0")					J
Total income from property from a source **outside Canada** (net of related expenses)		**019**			
Exempt income	**029**				
Taxable dividends deductible (total of column F on Schedule 3 **minus** related expenses)	**049**				
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)	**059**				
Subtotal (**add** lines 029, 049, and 059)	►		K		
Subtotal (line 019 **minus** amount K)			►		L
Amount J **plus** amount L					M
Total losses from property from a source **outside Canada**				**069**	
Amount M **minus** line 069 (if negative, enter "0") (enter on line 445 of the T2 return)				**079**	

Part 3A – Canadian and foreign investment income and adjusted aggregate investment income calculation

	A Canadian investment income	B Foreign investment income	C Adjusted aggregate investment income*	
Eligible portion of the taxable capital gains for the year before taking into account the capital gains reserves (federal) of Schedule 13*				1.1
Eligible portion of capital gains reserves (addition/deduction)*, **				1.2
Taxable capital gains under section 34.2 (line 275 on Schedule 73)**				1.3
Eligible portion of the taxable capital gains for the year (**add** amounts 1.1, 1.2, and 1.3)				1
Eligible portion of allowable capital losses for the year (including allowable business investment losses)*				2.1
Net capital losses of previous years (line 332 on the T2 return)				2.2
Allowable capital losses under section 34.2 (line 285 of Schedule 73)**				2.3
Allowable capital losses for the year (**add** amounts 2.1, 2.2 and 2.3)				2
Amount 1 **minus** amount 2 (if negative, enter "0")				3
Taxable dividends				4.1
Rental property income (under regulation 1100(11))				4.2
Other property income*	16,000		16,000	4.3
Property income under section 34.2 (line 280 of Schedule 73)**				4.4
Total property income (**add** amounts 4.1, 4.2, 4.3 and 4.4)	16,000		16,000	4
Exempt income				5.1
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for the year				5.2
Taxable dividends deductible (total of column F on Schedule 3 **minus** related expenses)*				5.3
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)				5.4
Add amounts 5.1, 5.2, 5.3 and 5.4				5
Amount 4 **minus** amount 5	16,000		16,000	6
Amount 3 **plus** amount 6	16,000		16,000	7
Rental property losses (under regulation 1100(11))				8.1
Dividend losses				8.2
Other property losses*	1,293,000		1,293,000	8.3
Property losses under section 34.2 (line 280 of Schedule 73)**				8.4
Total property losses (**add** amounts 8.1, 8.2, 8.3 and 8.4)	1,293,000		1,293,000	8
Amount 7 **minus** amount 8 (if negative, enter "0")				9
Amount, if any, deducted under subsection 91(4) in computing the corporation's income for the year				10
Amount 7 **minus** amount 8 **plus** amount 10 (if negative, enter "0")				11

* To calculate the adjusted aggregate investment income under column C:

- On lines 1.1, 1.2 and 2.1, only capital gains and losses resulting from the disposition of property other than an active asset (as defined under subsection 125(7) ITA) are to be taken into account.
- On line 4.3, include amounts in respect of a life insurance policy that are included in computing the corporation's income for the year (even if those amounts are not included in the calculation of the corporation's investment income in column A and B) as well as the income from a specified foreign investment business.
- On line 5.3, only the dividends received from a connected corporation should be included.
- On line 8.3, include the loss from a specified foreign investment business.

For more information on the calculation of the adjusted aggregate investment income, consult notes 13 and 14 at the end of this form as well as the Help (F1).

** When an amount is entered on these lines in column B, it reduces the corresponding amount in column A. For more information, consult the Help (F1).

Net taxable dividends		**Canadian**	**Foreign**	**Total**
Taxable dividends deducted per Schedule 3				
Less: Expenses related to such dividends	**A***			
Total expenses				
Net taxable dividends				

* Column A – Enter an "X" if the expense is related to a dividend received from a connected corporation.

Part 4 – Specified partnership income

Table 1 – Specified partnership income

A	A1	1A
Is the corporation a designated member of the partnership?	Partnership name **200**	Partnership's account number
Yes ☐ No ☐		

B1	C1	D1	1D	2D	E1	F1
Total income (loss) of partnership from an active business **300**	Corporation's share of amount in column B1 **310**	Income of the corporation from providing (directly or indirectly) services or property to the partnership **311**	Prorated amounts calculated under section 34.2 note 1	Expenses the corporation incurred to earn partnership income	Adjustments (column 1D **minus** column 2D) **315**	Corporation's income (loss) in respect of the partnership note 2 (**add** columns C1, D1 and E1) **320**

Total **350** ______

G1	H1	I1	J1	K1	L1	M1
Number of days in the partnership's fiscal period **325**	Prorated business limit notes 2 and 3 (column C1 ÷ column B1) × [$ 500 000 × (column G1 ÷ 365)] (if column C1 is negative, enter "0") **330**	Specified partnership business limit **assigned to you** (from H2 in Table 2) note 5 **335**	Specified partnership business limit **assigned by you** from F3 in Table 3) note 6 **336**	Specified partnership business limit amount (column H1 **plus** column I1 **minus** column J1)	Column F1 **minus** column K1 (if negative, enter "0")	Lesser of columns F1 and K1 (if column F1 is negative, enter "0") note 4 **340**

Total **385** ______ **360** ______

Corporation's losses for the year from an active business carried on in Canada (other than as a member of a partnership) – enter as a positive amount . . . . **370** ______

Specified partnership loss of the corporation for the year – enter as a positive amount (total of all negative amounts in column F1) . . . . **380** ______

Subtotal (line 370 **plus** line 380) ______ N

Amount at line 385 or amount N, whichever is less . . . . **390** ______

Specified partnership income (line 360 **plus** line 390) . . . . **400** ______
(enter at amount R in Part 5)

Part 4 – Specified partnership income (continued)

Tables 2 and 3 are used to make an assignment of **specified partnership business limit** under subsection 125(8). A person that is a member of a partnership can make an assignment of **specified partnership business limit** under subsection 125(8) to a **designated member**.

If you are a CCPC that is a designated member and **receiving** specified partnership business limit from a person that is a member of the partnership, complete Table 2.

If you are a corporation that is a member of the partnership and **assigning** specified partnership business limit to a designated member, complete Table 3.

Table 2 – A member is assigning to you specified partnership business limit under subsection 125(8)

A2	2A	B2
Partnership name 405	Partnership's account number	Name of the member 406

C2	D2	E2	F2	G2	H2
Business number of the member (if applicable) 410	Social insurance number of the member (if applicable) 411	Trust account number of the member (if applicable) 412	Tax year start of the member (yyyymmdd) 415	Tax year-end of the member (yyyymmdd) 416	Specified partnership business limit assigned to you by the member note 7 420

Table 3 – You are assigning to a designated member (CCPC) specified partnership business limit under subsection 125(8)

A3	3A	B3
Partnership name 425	Partnership's account number	Name of the designated member 426

C3	D3	E3	F3
Business number of the designated member 430	Tax year start of the designated member (yyyymmdd) 435	Tax year-end of the designated member (yyyymmdd) 436	Specified partnership business limit assigned by you to the designated member note 8 440

Part 5 – Partnership income not eligible for the small business deduction

Corporation's income from active businesses carried on in Canada as a member or designated member of a partnership (after deducting related expenses) – from line 350 in Part 4 (if the net amount is negative, enter "0" on line 450)		O
Specified partnership loss (from line 380 in Part 4)		P
Subtotal (amount O **plus** amount P)		Q
Specified partnership income (from line 400 in Part 4)		R
Partnership income not eligible for the small business deduction (amount Q **minus** amount R) (enter at amount Z in Part 6) 450		

Part 6 – Income eligible for the small business deduction

Net income for income tax purposes from line 300 of the T2 return		863,113	S		
Allowable business investment loss from line 406 of Schedule 1			T		
Subtotal (amount S **plus** amount T)		863,113	▶	863,113	U
Foreign business income after deducting related expenses note 9	500				
Taxable capital gains from line 113 of Schedule 1			V		
Net property income (line 032 note 10 **minus** the total of lines 042, 052 and 082 note 9 in Part 1)		-1,277,000	W		
Personal services business income after deducting related expenses note 9	e1				
Other income after deducting related expenses note 9	e2				
Subtotal (amount e1 **plus** amount e2) note 9	▶ 520				
Subtotal (**add** line 500, amount V, amount W and line 520)		-1,277,000	▶	-1,277,000	X
Net amount (amount U **minus** amount X)				2,140,113	Y
Partnership income not eligible for the small business deduction (line 450 in Part 5)			Z		
Partnership income allocated to your corporation under subsection 96(1.1)	530				
Income referred to in clause 125(1)(a)(i)(C)	540				
Income referred to in clause 125(1)(a)(i)(B) (from line 615 in Part 7)			AA		
Subtotal (**add** amount Z, line 530, line 540 and amount AA)			▶		BB
Specified corporate income (from line 625 in Part 7)					CC
Income eligible for the small business deduction (amount Y **minus** amount BB, **plus** amount CC) (enter amount DD on line 400 of the T2 return - if negative, enter "0")				2,140,113	DD

Part 7 – Specified corporate income and assignment under subsection 125(3.2)

	1EE Name of the corporation	**EE** Business number of the corporation 600	**FF** Income described under clause 125(1)(a)(i)(B) received from the corporation identified in column EE note 11 610	**GG** Business limit assigned **from** the corporation identified in column EE note 12 620
1				
			Total 615	Total 625

See the privacy statement on your return.

Notes

Note 1 Do **not** include expenses that were deducted in computing the income of the corporation in column D1.

In general, amounts included under subsections 34.2(2) and 34.2(3) or claimed under subsection 34.2(4) are deemed to have the **same character** and be in the **same proportions** as the partnership income they relate to. For example, if a corporation receives $100,000 of partnership income for the partnership's fiscal period ending in its tax year, and that income is made up of $40,000 of active business income, $30,000 of income from property, and $30,000 as a taxable capital gain, the corporation's adjusted stub period accrual (ASPA) in respect of the partnership would be 40% active business income, 30% property income, and 30% taxable capital gains. Add or deduct only the portion of the following amounts that are characterized as **active business income** in accordance with subsection 34.2(5):

Add:

– the ASPA under subsection 34.2(2) (column 4 of Schedule 73)
– the income inclusion for a new corporate member of a partnership under subsection 34.2(3) (column 6 of Schedule 73)
– the previous-year transitional reserve under subsection 34.2(12) (column 12 of Schedule 73)

Deduct:

– the previous-year ASPA under subsection 34.2(4) (column 5 of Schedule 73)
– the previous-year income inclusion for a new corporate member of a partnership under subsection 34.2(4) (column 7 of Schedule 73)

Note 2 When a partnership carries on more than one business, one of which generates income and another of which realizes a loss, the loss is **not** netted against the partnership's income when calculating the prorated business limit (column H1). Enter on line 380 the total of all losses from column F1.

Note 3 **If** you are a **designated member** of the partnership, enter "0".

Note 4 You must enter "0" **if** the partnership provides services or property to either:

(A) a private corporation (directly or indirectly in any manner whatever) in the year, if:
- you (or one of your shareholders) or a person that does **not** deal at arm's length with you (or one of your shareholders) holds a direct or indirect interest in the private corporation, and
- it is not the case that all or substantially all of the partnership's income for the year from an active business is from providing services or property to
  – persons (other than the private corporation) that deal at arm's length with the partnership and each person that holds a direct or indirect interest in the partnership, or
  – partnerships with which the partnership deals at arm's length, other than a partnership in which a person that does **not** deal at arm's length with you holds a direct or indirect interest, or

(B) a particular partnership (directly or indirectly in any manner whatever) in the year, if:
- you (or one of your shareholders) do **not** deal at arm's length with the particular partnership or a person that holds a direct or indirect interest in the particular partnership, and
- it is not the case that all or substantially all of the partnership's income for the year from an active business is from providing services or property to
  – persons that deal at arm's length with the partnership and each person that holds a direct or indirect interest in the partnership, or
  – partnerships (other than the particular partnership) with which the partnership deals at arm's length, other than a partnership in which a person that does **not** deal at arm's length with you holds a direct or indirect interest.

Note 5 If you are a CCPC that is a **designated member** receiving an assignment of **specified partnership business limit,** complete Table 2 to determine the amounts to enter in Table 1 column I1.

Note 6 If you are a corporation that is a **member** of the partnership and you are assigning **specified partnership business limit**, complete Table 3 to determine the amounts to enter in Table 1 column J1.

Note 7 Add the amounts in column H2 that are for the same partnership and enter it in Table 1 column I1, in the row of the applicable partnership.

Note 8 Add the amounts in column F3 that are for the same partnership and enter it in Table 1 column J1, in the row of the applicable partnership. This amount **cannot** be higher than the amount of prorated business limit you would otherwise be entitled to in Table 1 column H1 for that partnership.

Note 9 If negative, enter amount in brackets, and **add** instead of subtracting.

Note 10 Net of related expenses.

Note 11 This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts, each of which is your income from an active business for the year from providing services or property to a private corporation (directly or indirectly, in any manner whatever) if

(A) at any time in the year, you (or one of your shareholders) or a person that does **not** deal at arm's length with you (or one of your shareholders) holds a direct or indirect interest in the private corporation, and

(B) it is not the case that all or substantially all of your income for the year from an active business is from providing services or property to
  (I) persons (other than the private corporation) with which you deal at arm's length, or
  (II) partnerships with which you deal at arm's length, other than a partnership in which a person that does **not** deal at arm's length with you holds a direct or indirect interest.

Do **not** include specified farming or fishing income. If the conditions described in subsection 125(10) are met, do not include income from an associated corporation.

Note 12 The amount of business limit that a CCPC can assign to you cannot be greater than the amount in column FF that is from providing services or property **directly** to that CCPC. If there is an amount included in column FF that is deductible by that CCPC in respect of the amount of its income referred to in clause 125(1)(a)(i)(A) or (B) for its tax year, you need to deduct it from column FF for the purpose of determining the amount that can be assigned to you.

Notes (continued)

Note 13 Active asset, of a particular corporation at any time, means property that is:

(A) used at that time principally in an active business carried on primarily in Canada by the particular corporation or by a Canadian-controlled private corporation that is related to the particular corporation,

(B) a share of the capital stock of another corporation if, at that time,

- the other corporation is connected with the particular corporation (within the meaning assigned by subsection 186(4) on the assumption that the other corporation is at that time a payer corporation within the meaning of that subsection), and
- the share would be a qualified small business corporation share (as defined in subsection 110.6(1)) if:
  - – the references in that definition to an "individual" were references to the particular corporation, and
  - – that definition were read without reference to "the individual's spouse or common-law partner", or

(C) an interest in a partnership, if:

- at that time, the fair market value of the particular corporation's interest in the partnership is equal to or greater than 10% of the total fair market value of all interests in the partnership,
- throughout the 24-month period ending before that time, more than 50% of the fair market value of the property of the partnership was attributable to property described in this paragraph or in paragraph (A) or (B), and
- at that time, all or substantially all of the fair market value of the property of the partnership was attributable to property described in this paragraph or in paragraph (A) or (B).

Note 14 Income or loss from property of a particular corporation, for the purposes of calculating the corporation's adjusted aggregate investment income, includes income or loss from a specified investment business, as well as all amounts in respect of a life insurance policy that are included in computing the corporation's income for the year (even if those amounts were not included in the computation of the corporation's aggregate investment income in Part 1).

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Schedule 8

Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2018-12-31

For more information, see the section called "Capital Cost Allowance" in the T2 Corporation Income Tax Guide.

Is the corporation electing under Regulation 1101(5q)? **101** Yes [ ] No [X]

	1 Class number * See note 1 **200**	Description	2 Undepreciated capital cost (UCC) at the beginning of the year **201**	3 Cost of acquisitions during the year (new property must be available for use) See note 2 **203**	4 Cost of acquisitions from column 3 that are accelerated investment incentive properties (AIIP) See note 3 **225**	5 Adjustments and transfers See note 4 **205**	6 Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition See note 5 **221**	7 Amount from column 5 that is repaid during the year for a property, subsequent to its disposition See note 6 **222**	8 Proceeds of dispositions See note 7 **207**	For tax years ending before November 21, 2018: 50% rule (1/2 of net acquisitions) **211**
1.	1	Buildings	22,105,366						0	
2.	8	Equipment and tools	1,756,715	169,606	164,511				0	
3.	10	Rolling stock and vehicles	132,046	557,000	54,498				0	
4.	45	Computer equipment and software	155						0	
5.	47	Electrical energy distribution	24,705,847	2,849,732	1,013,623				4,400	
6.	50	Computer equipment	313,870	213,043	67,298				0	
7.	47	WIP	1,072,873			-1,072,873			0	
8.	8	WIP	64,219			-64,219			0	
9.	14.1		203,139						0	
10.	1b	Building		196,000	2,070				0	
11.	95	WIP		129,908		1,137,092			0	
		Totals	50,354,230	4,115,289	1,302,000				4,400	

	1 Class number * See note 1 200	Des-crip-tion	9 UCC (column 2 **plus** column 3 **plus** or **minus** column 5 **minus** column 8) See note 8	10 Proceeds of disposition available to reduce the UCC of AIIP (column 8 **plus** column 6 **minus** column 3 **plus** column 4 **minus** column 7) (if negative, enter "0")	11 Net capital cost additions of AIIP acquired during the year (column 4 **minus** column 10) (if negative, enter "0")	12 UCC adjustment for AIIP acquired during the year (column 11 **multiplied** by the relevant factor) See note 9	13 UCC adjustment for non-AIIP acquired during the year (0.5 **multiplied** by the result of column 3 **minus** column 4 **minus** column 6 **plus** column 7 **minus** column 8) (if negative, enter "0") See note 10 224	14 CCA rate % See note 11 212	15 Recapture of CCA See note 12 213	16 Terminal loss See note 13 215	17 CCA (for declining balance method, the result of column 9 **plus** column 12 **minus** column 13, **multiplied** by column 14 or a lower amount) See note 14 217	18 UCC at the end of the year (column 9 **minus** column 17) 220
1.	1	Buildin	22,105,366					4	0	0	884,215	21,221,151
2.	8	Equipn	1,926,321		164,511	82,256	2,548	20	0	0	401,206	1,525,115
3.	10	Rolling	689,046		54,498	27,249	251,251	30	0	0	139,513	549,533
4.	45	Compu	155					45	0	0	70	85
5.	47	Electric	27,551,179		1,013,623	506,812	915,855	8	0	0	2,171,371	25,379,808
6.	50	Compu	526,913		67,298	33,649	72,873	55	0	0	268,229	258,684
7.	47	WIP						8	0	0		
8.	8	WIP						20	0	0		
9.	14.1		203,139					5	0	0	14,220	188,919
10.	1b	Buildin	196,000		2,070	1,035	96,965	6	0	0	6,004	189,996
11.	95	WIP	1,267,000				64,954	0	0	0		1,267,000
		Totals	54,465,119		1,302,000	651,001	1,404,446				3,884,828	50,580,291

Enter the total of column 15 on line 107 of Schedule 1.
Enter the total of column 16 on line 404 of Schedule 1.
Enter the total of column 17 on line 403 of Schedule 1.

Note 1. If a class number has not been provided in Schedule II of the Income Tax Regulations for a particular class of property, use the subsection provided in Regulation 1101. Class numbers followed by a letter indicate the basic rate of the class taking into account the additional deduction allowed. Class 1a: 4% + 6% = 10% (class 1 to 10%), class 1b: 4% + 2% = 6% (class 1 to 6%).

Note 2. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions of property in the class that are not subject to the 50% rule. See Income Tax Folio S3-F4-C1, General Discussion of Capital Cost Allowance, for exceptions to the 50% rule.

Note 3. An accelerated investment incentive property (AIIP) is a property (other than property included in Class 54 or 55) that you acquired after November 20, 2018 and became available for use before 2028. See the T2 Corporation Income Tax Guide for more information. Classes 54 and 55 include property that is a zero-emission vehicle you acquired after March 18, 2019 and became available for use before 2028.

Note 4. Enter in column 5, "Adjustments and transfers", amounts that increase or reduce the undepreciated capital cost (column 9). Items that increase the undepreciated capital cost include amounts transferred under section 85, or transferred on amalgamation or winding-up of a subsidiary. Items that reduce the undepreciated capital cost (show amounts that reduce the undepreciated capital cost in brackets) include government assistance received or entitled to be received in the year, or a reduction of capital cost after the application of section 80. See the T2 Corporation Income Tax Guide for other examples of adjustments and transfers to include in column 5.

Note 5. Include all amounts of assistance you received (or were entitled to receive) after the disposition of a depreciable property that would have decreased the capital cost of the property by virtue of paragraph 13(7.1)(f) if received before the disposition.

Note 6. Include all amounts you have repaid during the year with respect to any legally required repayment, made after the disposition of a corresponding property, of:

- assistance that would have otherwise increased the capital cost of the property under paragraph 13(7.1)(d); and
- an inducement, assistance or any other amount contemplated in paragraph 12(1)(x) received, that otherwise would have increased the capital cost of the property under paragraph 13(7.4)(b).

Also include the UCC of each property of a prescribed class acquired in the course of a corporate reorganization described under paragraph 55(3)(b) of the Act (also known as "butterfly reorganization") or in a non-arm's length transaction (other than by virtue of a right referred to in paragraph 251(5)(b) of the Act) if the property was a depreciable property acquired by the transferor less than 364 days before the end of your tax year.

Note 7. For each property disposed of during the year, deduct from the proceeds of disposition any outlays and expenses to the extent that they were made or incurred for the purpose of making the disposition(s). The amount reported in respect of the property cannot exceed the property's capital cost, unless that property is a timber resource property as defined in subsection 13(21).

Note 8. If the amount in column 5 reduces the undepreciated capital cost (i.e. it is shown in brackets), you must subtract it for the purposes of the calculation. Otherwise, add the amount in column 5 for the purposes of the calculation.

Note 9. The relevant factors for AIIP of a class in Schedule II and for property included in classes 54 and 55, available for use before 2024, are:

- 2 1/3 for property in Classes 43.1 and 54;
- 1 1/2 for property in Class 55;
- 1 for property in Classes 43.2 and 53;
- 0 for property in Classes 12, 13, 14, and 15, as well as properties that are Canadian vessels included in paragraph 1100(1)(v) of the Regulations (see note 14 for additional information); and
- 0.5 for all other property that is AIIP.

Note 10. The UCC adjustment for non-AIIP acquired during the year (formerly known as the half-year rule or 50% rule) does not apply to certain property (including AIIP). For special rules and exceptions, see Income Tax Folio S3-F4-C1, General Discussion of Capital Cost Allowance.

Note 11. Enter a rate only if you are using the declining balance method. For any other method (for example the straight-line method, where calculations are always based on the cost of acquisitions), enter N/A. Then enter the amount you are claiming in column 17.

Note 12. If the amount in column 9 is negative, you have a recapture of CCA. If applicable, enter the negative amount from column 9 in column 15 as a positive. The recapture rules do not apply to passenger vehicles in Class 10.1.

Note 13. If no property is left in the class at the end of the tax year and there is still a positive amount in the column 9, you have a terminal loss. If applicable, enter the positive amount from column 9 in column 16. The terminal loss rules do not apply to:

- passenger vehicles in Class 10.1;
- property in Class 14.1, unless you have ceased carrying on the business to which it relates; or
- limited-period franchises, concessions, or licences in Class 14 if, at the time of acquisition, the property was a former property of the transferor or any similar property attributable to the same fixed place of business, and you had jointly elected with the transferor to have the replacement property rules apply.

Note 14. If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See the T2 Corporation Income Tax Guide for more information. For property in class 10.1 disposed of during the year, deduct a maximum of 50% of the regular CCA deduction if you owned the property at the beginning of the tax year. For AIIP listed below, the maximum first year allowance you can claim is determined as follows:

- Class 13: the lesser of 150% of the amount calculated in Schedule III of the Regulations and the UCC at the end of the tax year (before any CCA deduction).
- Class 14: the lesser of 150% of the allocation for the year of the capital cost of the property apportioned over the remaining life of the property (at the time the cost was incurred) and the UCC a the end of the tax year (before any CCA deduction).
- Class 15: the lesser of 150% of an amount computed on the basis of a rate per cord, board foot or cubic metre cut in the tax year and the UCC at the end of the tax year (before any CCA deduction).
- Canadian vessels described under paragraph 1100(1)(v) of the Regulations: the lesser of 50% of the capital cost of the property and the UCC at the end of the tax year (before any CCA deduction).
- Class 41.2: use a 25% CCA rate. The additional allowance under paragraph 1100(1)(y.2)(for single mine properties) and 1100(1)(ya.2 (for multiple mine properties) of the Regulations is not eligible for the accelerated investment incentive. The additional allowance in respect of natural gas liquefaction under paragraph 1100(1)(yb) of the Regulations is eligible for the accelerated investment incentive.
- Property (other than a timber resource property) that is a timber limit or a right to cut timber from a limit: 150% of the amount determined by first subtracting the total of the residual value of the timber limit and all amounts you expended for the 1949 or later tax years for surveys, cruises or preparation of prints, maps or plans for the purpose of obtaining a licence or right to cut timber from the capital cost of the limit or right, and then dividing the result by the quantity of timber in the limit or the quantity of timber you have the right to cut.
- Industrial mineral mine or a right to remove industrial minerals from an industrial mineral mine: 150% of the amount determined by first subtracting the residual value, if any, of the mine or right from the capital cost of the mine or right, and then dividing the result by the number of units of commercially mineable material estimated to be in the mine when the mine or right was acquired (alternatively, if you have acquired a right to remove only a specified number of units, that number of units that you acquired a right to remove).

Fixed Assets Reconciliation

Reconciliation of change in fixed assets per financial statements to amounts used per tax return.

Tax return

Additions for tax purposes – Schedule 8 regular classes		4,115,289		
Additions for tax purposes – Schedule 8 leasehold improvements	+			
Operating leases capitalized for book purposes	+			
Capital gain deferred	+			
Recapture deferred	+			
Deductible expenses capitalized for book purposes – Schedule 1	+			
Other (specify):				
Subsection 13(7.4) election	+	1,359,844		
True-up 2017 CIP	+	-18,005		
Rounding	+	-157		
SRED adjustments	+	80,619		
Total additions per books	=	5,537,590	▶	5,537,590
Proceeds up to original cost – Schedule 8 regular classes		4,400		
Proceeds up to original cost – Schedule 8 leasehold improvements	+			
Proceeds in excess of original cost – capital gain	+			
Recapture deferred – as above	+			
Capital gain deferred – as above	+			
Pre V-day appreciation	+			
Other (specify):				
Amortization expense in distribution - from S(1)	+	89,889		
Amortization of land rights	+	-12,699		
Total proceeds per books	=	81,590	▶ –	81,590
Depreciation and amortization per accounts – Schedule 1			–	2,503,000
Loss on disposal of fixed assets per accounts			–	11,000
Gain on disposal of fixed assets per accounts			+	
Net change per tax return			=	2,942,000

Financial statements

Fixed assets (excluding land) per financial statements

Closing net book value		67,822,000
Opening net book value	–	64,880,000
Net change per financial statements	=	2,942,000

If the amounts from the tax return and the financial statements differ, explain why below.

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SCHEDULE 9

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
InnPower Corporation	89242 2817 RC0001	2018-12-31

- Complete this schedule if the corporation is related to or associated with at least one other corporation.
- For more information, see the *T2 Corporation Income Tax Guide*.

	Name 100	Country of residence (other than Canada) 200	Business number (see note 1) 300	Relationship code (see note 2) 400	Number of common shares you own 500	% of common shares you own 550	Number of preferred shares you own 600	% of preferred shares you own 650	Book value of capital stock 700
1.	Innservices Utilities Inc.		81689 7326 RC0001	3					
2.	Town of Innisfil		NR	1					
3.	Innterprises Inc.		86556 4595 RC0001	3					

Note 1: Enter "NR" if the corporation is not registered or does not have a business number.
Note 2: Enter the code number of the relationship that applies from the following order: 1 - Parent 2 - Subsidiary 3 - Associated 4 - Related but not associated

T2 SCH 9 (11)

Canada

Continuity of financial statement reserves (not deductible)

Financial statement reserves (not deductible)

	Description	Balance at the beginning of the year	Transfer on an amalgamation or the wind-up of a subsidiary	Add	Deduct	Balance at the end of the year
1	Post retirement benefits	156,696		178,083	156,696	178,083
2						
	Reserves from Part 2 of Schedule 13					
	Totals	156,696		178,083	156,696	178,083

The total opening balance plus the total transfers should be entered on line 414 of Schedule 1 as a deduction.
The total closing balance should be entered on line 126 of Schedule 1 as an addition.

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Schedule 23

Agreement Among Associated Canadian-Controlled Private Corporations to Allocate the Business Limit

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

Column 1: Enter the legal name of each of the corporations in the associated group, including those deemed to be associated under subsection 256(2) of the Income Tax Act.

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

Column 3: Enter the association code from the list below 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** as referred to in subsection 256(2) and has filed Schedule 28, Election not to be Associated Through a Third Corporation

3 – Non-CCPC that is a **third corporation**

4 – Associated non-CCPC

5 – Associated CCPC to which association code 1 does not apply because a **third corporation** has filed Schedule 28

Column 4: Enter the business limit for the year of each corporation in the associated group. Enter "0" if the corporation has association code 2, 3 or 4 in column 3 (except if the corporation is a cooperative or a credit union eligible for the SBD and it has association code 4).

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

Column 6: Enter the business limit allocated to each corporation by multiplying the amount in column 4 by the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A.

Ensure that the total at line A does not exceed $500,000.

Allocating the business limit

Date filed (do not use this area) . . . . . **025** Year Month Day

Enter the calendar year to which the agreement applies . . . . . **050** Year 2018

Is this an amended agreement for the above calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? . . . . . **075** ☐ Yes ☒ No

	1 Name of associated corporations **100**	2 Business number of associated corporations **200**	3 Association code **300**	4 Business limit for the year before the allocation $	5 Percentage of the business limit % **350**	6 Business limit allocated* $ **400**	
1	InnPower Corporation	89242 2817 RC0001	1	500,000	100.0000	500,000	
2	Innservices Utilities Inc.	81689 7326 RC0001	1	500,000			
3	Town of Innisfil	NR	1	500,000			
4	Innterprises Inc.	86556 4595 RC0001	1	500,000			
				Total	100.0000	500,000	A

Business limit reduction under subsection 125(5.1) of the Act

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the factors used in this calculation is the "large corporation amount" at line 415 of the T2 return. The amount at line 415 is determined using the formula 0.225% x (D - $10,000,000). Details of this formula and variable D are in subsection 125(5.1) of the Act.

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

Special rules for business limit

Special rules apply under subsection 125(5) if a CCPC has more than one tax year ending in the same calendar year and it is associated in more than one of those tax years with another CCPC that has a tax year ending in that calendar year. The business limit for the second or later tax year will be equal to the business limit determined for the first tax year ending in the calendar year or the business limit determined for the second or later tax year ending in the same calendar year, whichever is less.

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Schedule 33

Taxable Capital Employed in Canada – Large Corporations

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2018-12-31

- Use this schedule in determining if the total taxable capital employed in Canada of the corporation (other than a financial institution or an insurance corporation) and its related corporations is greater than $10,000,000.
- If the total taxable capital employed in Canada of the corporation and its related corporations is greater than $10,000,000, file a completed Schedule 33 with your T2 *Corporation Income Tax Return* no later than six months from the end of the tax year.
- Unless otherwise noted, all legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 181(1) defines the terms **financial institution**, **long-term debt**, and **reserves**.
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part I.3 for its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or for a partnership in which it has an interest.
- If the corporation was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 4, **Taxable capital employed in Canada**.

Part 1 – Capital

Add the following year-end amounts:

	Line	Amount		
Reserves that have not been deducted in calculating income for the year under Part I	101	178,083		
Capital stock (or members' contributions if incorporated without share capital)	103	10,852,000		
Retained earnings	104	10,032,000		
Contributed surplus	105	1,600,000		
Any other surpluses	106			
Deferred unrealized foreign exchange gains	107			
All loans and advances to the corporation	108	293,000		
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109			
Any dividends declared but not paid by the corporation before the end of the year	110			
All other indebtedness of the corporation (other than any indebtedness for a lease) that has been outstanding for more than 365 days before the end of the year	111			
The total of all amounts, each of which is the amount, if any, in respect of a partnership in which the corporation held a membership interest at the end of the year, either directly or indirectly through another partnership (see note below)	112			
Subtotal (**add** lines 101 to 112)		22,955,083 ▶	22,955,083	A

Note:

Line 112 is determined by the formula (A – B) x C/D (as per paragraph 181.2(3)(g)) where:

A is the total of all amounts that would be determined for lines 101, 107, 108, 109, and 111 in respect of the partnership for its last fiscal period that ends at or before the end of the year if
- a) those lines applied to partnerships in the same manner that they apply to corporations, and
- b) those amounts were computed without reference to amounts owing by the partnership
  - (i) to any corporation that held a membership interest in the partnership either directly or indirectly through another partnership, or
  - (ii) to any partnership in which a corporation described in subparagraph (i) held a membership interest either directly or indirectly through another partnership.

B is the partnership's deferred unrealized foreign exchange losses at the end of the period,

C is the share of the partnership's income or loss for the period to which the corporation is entitled either directly or indirectly through another partnership, and

D is the partnership's income or loss for the period.

Part 1 – Capital (continued)

Subtotal A (from page 1)			22,955,083	A
Deduct the following amounts:				
Deferred tax debit balance at the end of the year	121			
Any deficit deducted in calculating its shareholders' equity (including, for this purpose, the amount of any provision for the redemption of preferred shares) at the end of the year	122			
To the extent that the amount may reasonably be regarded as being included in any of lines 101 to 112 above for the year, any amount deducted under subsection 135(1) in calculating income under Part I for the year.	123			
Deferred unrealized foreign exchange losses at the end of the year	124			
Subtotal (**add** lines 121 to 124)				B
Capital for the year (amount A **minus** amount B) (if negative, enter "0")	190		22,955,083	

Part 2 – Investment allowance

Add the carrying value at the end of the year of the following assets of the corporation:

A share of another corporation	401	
A loan or advance to another corporation (other than a financial institution)	402	3,411,000
A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution)	403	
Long-term debt of a financial institution	404	
A dividend payable on a share of the capital stock of another corporation	405	
A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim or similar obligation of, a partnership each member of which was, throughout the year, another corporation (other than a financial institution) that was not exempt from tax under this Part (otherwise than because of paragraph 181.1(3)(d)), or another partnership described in paragraph 181.2(4)(d.1)	406	
An interest in a partnership (see note 2 below)	407	
Investment allowance for the year (add lines 401 to 407)	490	3,411,000

Notes:

1. Lines 401 to 405 should not include the carrying value of a share of the capital stock of, a dividend payable by, or indebtedness of a corporation that is exempt from tax under Part I.3 (other than a non-resident corporation that at no time in the year carried on business in Canada through a permanent establishment).
2. Where the corporation has an interest in a partnership held either directly or indirectly through another partnership, refer to subsection 181.2(5) for additional rules regarding the carrying value of an interest in a partnership.
3. Where a trust is used as a conduit for loaning money from a corporation to another related corporation (other than a financial institution), the loan will be considered to have been made directly from the lending corporation to the borrowing corporation. Refer to subsection 181.2(6) for special rules that may apply.

Part 3 – Taxable capital

Capital for the year (line 190)		22,955,083	C
Deduct: Investment allowance for the year (line 490)		3,411,000	D
Taxable capital for the year (amount C **minus** amount D) (if negative, enter "0")	500	19,544,083	

Part 4 – Taxable capital employed in Canada

To be completed by a corporation that was resident in Canada at any time in the year

Taxable capital for the year (line 500) 19,544,083 x (Taxable income earned in Canada **610** 1,000 / Taxable income 1,000) = **Taxable capital employed in Canada** **690** 19,544,083

Notes:
1. Regulation 8601 gives details on calculating the amount of taxable income earned in Canada.
2. Where a corporation's taxable income for a tax year is "0," it shall, for the purposes of the above calculation, be deemed to have a taxable income for that year of $1,000.
3. In the case of an airline corporation, Regulation 8601 should be considered when completing the above calculation.

To be completed by a corporation that was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada

Total of all amounts each of which is the carrying value at the end of the year of an asset of the corporation used in the year or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada . . . . **701** ______

Deduct the following amounts:

Corporation's indebtedness at the end of the year [other than indebtedness described in any of paragraphs 181.2(3)(c) to (f)] that may reasonably be regarded as relating to a business it carried on during the year through a permanent establishment in Canada . . . . **711** ______

Total of all amounts each of which is the carrying value at the end of year of an asset described in subsection 181.2(4) of the corporation that it used in the year, or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada . . . . **712** ______

Total of all amounts each of which is the carrying value at the end of year of an asset of the corporation that is a ship or aircraft the corporation operated in international traffic, or personal or movable property used or held by the corporation in carrying on any business during the year through a permanent establishment in Canada (see note below) . . . . **713** ______

Total deductions (**add** lines 711, 712, and 713) ______ ► ______ E

Taxable capital employed in Canada (line 701 **minus** amount E) (if negative, enter "0") . . . . **790** ______

Note: Complete line 713 only if the country in which the corporation is resident did not impose a capital tax for the year on similar assets, or a tax for the year on the income from the operation of a ship or aircraft in international traffic, of any corporation resident in Canada during the year.

Part 5 – Calculation for purposes of the small business deduction

This part is applicable to corporations that are not associated in the current year, but were associated in the prior year.

Taxable capital employed in Canada (amount from line 690)		F
Deduct:	10,000,000	G
Excess (amount F **minus** amount G) (if negative, enter "0")		H
Calculation for purposes of the small business deduction (amount H x 0.225%)		I

Enter this amount at line 415 of the T2 return.

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SCHEDULE 50

SHAREHOLDER INFORMATION

Name of corporation	Business Number	Tax year end Year Month Day
InnPower Corporation	89242 2817 RC0001	2018-12-31

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

	Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust)	Provide only one number per shareholder: Business Number (If a corporation is not registered, enter "NR")	Social insurance number	Trust number	Percentage common shares	Percentage preferred shares
	100	200	300	350	400	500
1	Town of Innisfil	12194 7188 RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

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SCHEDULE 546

CORPORATIONS INFORMATION ACT ANNUAL RETURN FOR ONTARIO CORPORATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2018-12-31

- This schedule should be completed by a corporation that is incorporated, continued, or amalgamated in Ontario and subject to the Ontario *Business Corporations Act* (BCA) or Ontario *Corporations Act* (CA), except for registered charities under the federal *Income Tax Act*. This completed schedule serves as a *Corporations Information Act* Annual Return under the *Ontario Corporations Information Act*.
- Complete parts 1 to 4. Complete parts 5 to 7 only to report change(s) in the information recorded on the Ontario Ministry of Government Services (MGS) public record.
- This schedule must set out the required information for the corporation as of the date of delivery of this schedule.
- A completed Ontario *Corporations Information Act* Annual Return must be delivered within six months after the end of the corporation's tax year-end. The MGS considers this return to be delivered on the date that it is filed with the Canada Revenue Agency (CRA) together with the corporation's income tax return.
- It is the corporation's responsibility to ensure that the information shown on the MGS public record is accurate and up-to-date. To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. Visit **www.ServiceOntario.ca** for more information.
- This schedule contains non-tax information collected under the authority of the Ontario *Corporations Information Act*. This information will be sent to the MGS for the purposes of recording the information on the public record maintained by the MGS.

Part 1 – Identification

100 Corporation's name (exactly as shown on the MGS public record)
InnPower Corporation

Jurisdiction incorporated, continued, or amalgamated, whichever is the most recent	**110** Date of incorporation or amalgamation, whichever is the most recent (Year Month Day)	**120** Ontario Corporation No.
Ontario	2000-10-05	7284940

Part 2 – Head or registered office address (P.O. box not acceptable as stand-alone address)

200 Care of (if applicable)

210 Street number	**220** Street name/Rural route/Lot and Concession number	**230** Suite number
2073	COMMERCE PARK DR	

240 Additional address information if applicable (line 220 must be completed first)

250 Municipality (e.g., city, town)	**260** Province/state	**270** Country	**280** Postal/zip code
INNISFIL	ON	CA	L9S 4A2

Part 3 – Change identifier

Have there been any changes in any of the information most recently filed for the public record maintained by the MGS for the corporation with respect to names, addresses for service, and the date elected/appointed and, if applicable, the date the election/appointment ceased of the directors and five most senior officers, or with respect to the corporation's mailing address or language of preference? To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. For more information, visit **www.ServiceOntario.ca**.

300 1 If there have been no changes, enter **1** in this box and then go to "Part 4 – Certification."
If there are changes, enter **2** in this box and complete the applicable parts on the next page, and then go to "Part 4 – Certification."

Part 4 – Certification

I certify that all information given in this *Corporations Information Act* Annual Return is true, correct, and complete.

450 McAllister (Last name) **451** Glen (First name)

454 , (Middle name(s))

460 2 Please enter one of the following numbers in this box for the above-named person: **1** for director, **2** for officer, or **3** for other individual having knowledge of the affairs of the corporation. If you are a director and officer, enter **1** or **2**.

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

Complete the applicable parts to report changes in the information recorded on the MGS public record.

Part 5 – Mailing address

500 Please enter one of the following numbers in this box:
1 - Show no mailing address on the MGS public record.
2 - The corporation's mailing address is the same as the head or registered office address in Part 2 of this schedule.
3 - The corporation's complete mailing address is as follows:

510 Care of (if applicable)

520 Street number	**530** Street name/Rural route/Lot and Concession number	**540** Suite number

550 Additional address information if applicable (line 530 must be completed first)

560 Municipality (e.g., city, town)	**570** Province/state	**580** Country	**590** Postal/zip code

Part 6 – Language of preference

600 Indicate your language of preference by entering **1** for English or **2** for French. This is the language of preference recorded on the MGS public record for communications with the corporation. It may be different from line 990 on the T2 return.

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Code 1501

Scientific Research and Experimental Development (SR&ED) Expenditures Claim

Use this form:
- to provide technical information on your SR&ED projects;
- to calculate your SR&ED expenditures; and
- to calculate your qualified SR&ED expenditures for investment tax credits (ITC).

To claim an ITC, use either:
- Schedule T2SCH31, *Investment Tax Credit – Corporations*, or
- Form T2038(IND), *Investment Tax Credit (Individuals)*.

The information requested in this form and documents supporting your expenditures and project information (Part 2) are prescribed information.

Your SR&ED claim must be filed within 12 months of the filing due date of your income tax return.

To help you fill out this form, use the T4088, *Guide to Form T661*, which is available on our Web site: **www.cra.gc.ca/sred**.

Part 1 – General information

010 Name of claimant: InnPower Corporation

Enter one of the following:

Business number (BN): 89242 2817 RC0001

Social insurance number (SIN):

Tax year
From: 2018-01-01 (Year Month Day)
To: 2018-12-31 (Year Month Day)

050 Total number of projects you are claiming this tax year: 1

100 Contact person for the financial information: Lisa McCaskie	**105** Telephone number/extension: (705) 431-6870	**110** Fax number:
115 Contact person for the technical information: Danny Persaud	**120** Telephone number/extension: (705) 431-6870	**125** Fax number:

151 If this claim is filed for a partnership, was Form T5013 filed? . . . . 1 ☐ Yes 2 ☐ No

If you answered **no** to line 151, complete lines 153, 156 and 157.

153 Names of the partners	**156** %	**157** BN or SIN
1		
2		
3		
4		
5		

Part 2 - Project information

CRA internal form identifier 060
Code 1501

Complete a separate Part 2 for each project claimed this year.

Section A - Project identification

200 Project title (and identification code if applicable)

See schedule

Part 3 – Calculation of SR&ED expenditures

What did you spend on your SR&ED projects?

Section A – Select the method to calculate the SR&ED expenditures

I elect (choose) to use the following method to calculate my SR&ED expenditures and related investment tax credits (ITC) for this tax year.
I understand that my election is irrevocable (cannot be changed) for this tax year.

160 1 [X] I elect to use the proxy method
(Enter "0" on line 360 and complete Part 5.)

162 1 [ ] I choose to use the traditional method
(Enter "0" on lines 355 and 502. Complete line 360.)

Section B – Calculation of allowable SR&ED expenditures (to the nearest dollar)

	Line		Amount
• SR&ED portion of salary or wages of employees directly engaged in the SR&ED:			
a) Employees other than specified employees for work performed in Canada	300	+	177,758
b) Specified employees for work performed in Canada	305	+	
Subtotal (add lines 300 and 305)	306	=	177,758
c) Employees other than specified employees for work performed outside Canada (subject to limitations – see guide)	307	+	
d) Specified employees for work performed outside Canada (subject to limitations – see guide)	309	+	
• Salary or wages identified on line 315 in prior years that were paid in this tax year	310	+	
• Salary or wages incurred in the year but not paid within 180 days of the tax year end	315		
• Cost of materials consumed in performing SR&ED	320	+	
• Cost of materials transformed in performing SR&ED	325	+	
• Contract expenditures for SR&ED performed on your behalf:			
a) Arm's length contracts (see note 1)	340	+	22,840
b) Non-arm's length contracts (see note 1)	345	+	
• Lease costs of equipment used **before 2014**:			
a) All or substantially all (90% of the time or more) for SR&ED	350	+	
b) Primarily (more than 50% of the time but less than 90%) for SR&ED. (Enter 50% of lease costs if you use the proxy method or enter "0" if you use the traditional method)	355	+	
• Overhead and other expenditures (enter "0" if you use the proxy method)	360	+	
• Third-party payments (see note 2) (complete Form T1263*)	370	+	
Total current SR&ED expenditures (add lines 306 to 370; do not add line 315) (Corporations may need to adjust line 118 of schedule T2SCH1)	380	=	200,598
• Capital expenditures for depreciable property available for use **before 2014** (Do not include these capital expenditures on schedule T2SCH8)	390	+	
Total allowable SR&ED expenditures (add lines 380 and 390)	400	=	200,598

Section C – Calculation of pool of deductible SR&ED expenditures (to the nearest dollar)

	Line		Amount
Amount from line 400	420		200,598
Deduct			
• provincial government assistance for expenditures included on line 400	429	–	6,692
• other government assistance for expenditures included on line 400	431	–	4,839
• non-government assistance for expenditures included on line 400	432	–	
• SR&ED ITCs applied and/or refunded in the prior year (see guide)	435	–	
• sale of SR&ED capital assets and other deductions	440	–	
Subtotal (line 420 minus lines 429 to 440)	442	=	189,067
Add			
• repayments of government and non-government assistance that previously reduced the SR&ED expenditure pool	445	+	
• prior year's pool balance of deductible SR&ED expenditures (from line 470 of prior year T661)	450	+	
• SR&ED expenditure pool transfer from amalgamation or wind-up	452	+	
• amount of SR&ED ITC recaptured in the prior year	453	+	
Amount available for deduction (add lines 442 to 453) (enter positive amount only, include negative amount in income)	455	=	189,067
• Deduction claimed in the year (Corporations should enter this amount on line 411 of schedule T2SCH1)	460	–	189,067
Pool balance of deductible SR&ED expenditures to be carried forward to future years (line 455 minus 460)	470	=	

* Form T1263, *Third-Party Payments for Scientific Research and Experimental Development (SR&ED)*

Note 1 – For contract expenditures made after 2013, no amounts for purchasing or leasing capital property can be included.

Note 2 – For third-party payments made after 2013, no amounts for purchasing or leasing capital property can be included.

Part 4 – Calculation of qualified SR&ED expenditures for investment tax credit (ITC) purposes

The resulting amount is used to calculate your refundable and/or non refundable ITC.

Enter the breakdown between current and capital expenditures (to the nearest dollar)

	Line	Current Expenditures	Line	Capital Expenditures
Total expenditures for SR&ED (from lines 380 and 390)	492	200,598	496	
Add				
• payment of prior years' unpaid amounts (other than salary or wages) (see note 5)	500 +			
• prescribed proxy amount (complete Part 5) (Enter "0" if you use the traditional method)	502 +	96,337		
• expenditures on shared-use equipment for property acquired **before 2014**			504 +	
• qualified expenditures transferred to you (see note 3) (complete Form T1146**)	508 +		510 +	
Subtotal (add lines 492 to 508, and add lines 496 to 510)	511 =	296,935	512 =	
Deduct (see note 4)				
• provincial government assistance	513 –	10,063	514 –	
• other government assistance	515 –	4,839	516 –	
• non-government assistance and contract payments	517 –		518 –	
• current expenditures (other than salary or wages) not paid within 180 days of the tax year end (see note 5)	520 –			
• amounts paid in respect of an SR&ED contract to a person or partnership that is not a taxable supplier	528 –			
• 20% of expenditures included on lines 340 and 370	529 –	4,568		
• prescribed expenditures not allowed by regulations (see guide)	530 –		532 –	
• other deductions (see guide)	533 –		535 –	
• non-arm's length transactions				
– assistance allocated to you (complete Form T1145*)	538 –		540 –	
– expenditures for non-arm's length SR&ED contracts (from line 345)	541 –			
– adjustments to purchases (limited to costs) of goods and services from non-arm's length suppliers (see guide)	542 –		543 –	
– qualified expenditures you transferred (complete Form T1146**)	544 –		546 –	
Subtotal (line 511 minus lines 513 to 544 and line 512 minus lines 514 to 546)	557 =	277,465	558 =	
Qualified SR&ED expenditures (add lines 557 and 558)			559 =	277,465
Add				
• repayments of assistance and contract payments made in the year			560 +	
Total qualified SR&ED expenditures for ITC purposes (add lines 559 and 560)			570 =	277,465

* Form T1145, *Agreement to Allocate Assistance for SR&ED Between Persons Not Dealing at Arm's Length*

** Form T1146, *Agreement to Transfer Qualified Expenditures Incurred in Respect of SR&ED Contracts Between Persons Not Dealing at Arm's Length*

Note 3 – On line 510 (capital) – Only include expenditures made before 2014 by the transferor (performer). Complete the latest version of Form T1146.

Note 4 – On lines 514, 516, 518, 532, 535, 540, 543 and 546 – Only include amounts related to expenditures of a capital nature made before 2014.

Note 5 – For arm's length contracts, only include 80% of the contract amount.

Part 5 – Calculation of prescribed proxy amount (PPA)

A notional amount representing your overhead and other expenditures.

This part calculates the PPA to enter on line 502 in Part 4. Do not complete this part if you have chosen to use the traditional method in Part 3 (line 162).
You can only claim a PPA if you elected to use the proxy method for the year in Part 3 (line 160).

Special rules apply for specified employees. Calculate your salary base in Section A and the PPA in Section B.

Section A – Salary base

Salary or wages of employees other than specified employees (from lines 300 and 307)	810	+	177,758
Deduct			
Bonuses, remuneration based on profits, and taxable benefits that were included on line 810	812	–	2,600
Subtotal (line 810 minus 812)	814	=	175,158

Salary or wages of specified employees

850	852	854	856	858	860
Column 1	**Column 2**	**Column 3**	**Column 4**	**Column 5**	**Column 6**
Name of specified employee	Total salary or wages for the year (SR&ED and non-SR&ED) excluding bonuses, remuneration based on profits, and taxable benefits (to the nearest dollar)	% of time spent on SR&ED (maximum 75%)	Amount in column 2 multiplied by percentage in column 3	2,5 x A x B/365 A = Year's maximum pensionable earnings B = Number of days employed in tax year	Amount in column 4 or 5, whichever amount is less

(Enter total of column 6 on line 816) 816 +

Salary base (total of lines 814 and 816) 818 = 175,158

Section B – Prescribed proxy amount (PPA)

Enter 65% of the salary base (line 818) less 5% of the salary base for the number of 2013 calendar days in the tax year, and less 10% of the salary base for number of days after 2013 in the tax year (use the formula in the guide-line 820) 820 = 96,337

Enter the amount from line 820 on line 502 in Part 4 unless the overall cap on PPA applies to you.

(See the guide for explanation and example of the overall cap on PPA)

Part 6 – Project costs

Information requested in this part must be provided for **all** SR&ED projects claimed in the year.
Expenditures should be recorded and allocated on a project basis.

750	752	754	756
Project title or identification code	Salary or wages in the tax year (Total of lines 306 to 309)	Cost of materials in the tax year (Total of lines 320 and 325)	Contract expenditures for SR&ED performed on your behalf in the tax year (Total of lines 340 and 345)
1. 2018-01 Smart Devices for Grid Management	177,758		22,840
Total	177,758		22,840

Part 7 – Additional information

Expenditures for SR&ED performed by you in Canada (line 400 minus lines 307, 309, 340, 345, and 370) **605** 177,758

From the total you entered on line 605, estimate the percentage of distribution of the sources of funds for SR&ED performed within your organization.

		Canadian (%)		Foreign (%)
Internal	600	100.000		
Parent companies, subsidiaries, and affiliated companies	602		604	
Federal grants (do not include funds or tax credits from SR&ED tax incentives)	606			
Federal contracts	608			
Provincial funding	610			
SR&ED contract work performed for other companies on their behalf	612		614	
Other funding (e.g., universities, foreign governments)	616		618	

For statistical purposes indicate whether the work you performed falls within the realm of Basic or Applied research (to advance scientific knowledge) or Experimental development (to achieve a technological advancement):

620 1 [ ] Basic or Applied research   **622** 1 [X] Experimental development

Enter the number of SR&ED personnel in full-time equivalents (FTE):

Scientists and engineers	632	1
Technologists and technicians	634	1
Managers and administrators	636	1
Other technical supporting staff	638	1

Part 8 – Claim checklist

To ensure your claim is complete, make sure you have:

1. used the current version of this form . . . X
2. entered the method you have chosen for reporting your SR&ED expenditures in Section A of Part 3 . . . X
3. completed Part 2 for each project . . . X
4. filed a completed Schedule T2SCH31 or Form T2038(IND) to claim ITCs on your qualified SR&ED expenditures . . . X
5. filed a completed Form T1145*, T1146**, T1174*** and/or T1263**** including any required attachments, if applicable . . . X

To expedite the processing of your claim, make sure you have:

1. completed Form T2, *Corporation Income Tax Return* or Form T1, *Income Tax and Benefit Return* . . . X
2. filed the appropriate provincial and/or territorial tax credit forms, if applicable . . . X
3. retained documents to support the SR&ED work performed and SR&ED expenditures you claimed . . . X
4. checked boxes 231 and 232 on page 2 of your T2 return to indicate attachment of Form T661 and Schedule T2SCH31 . . . X

* Form T1145, *Agreement to Allocate Assistance for SR&ED Between Persons Not Dealing at Arm's Length*

** Form T1146, *Agreement to Transfer Qualified Expenditures Incurred in Respect of SR&ED Contracts Between Persons Not Dealing at Arm's Length*

*** Form T1174, *Agreement Between Associated Corporations to Allocate Salary or Wages of Specified Employees for Scientific Research and Experimental Development (SR&ED)*

**** Form T1263, *Third·Party Payments for Scientific Research and Experimental Development (SR&ED)*

Part 9 – Claim preparer information

Information requested in this part must be provided for each claim preparer that has accepted consideration to prepare or assist in the preparation of this SR&ED claim. Certification is required on lines 935, 970, and 975.

A $1000 penalty may be assessed if the information requested below about the claim preparer(s) and billing arrangement(s), is missing, incomplete, or inaccurate. Where a claim preparer has prepared or assisted in the preparation of this SR&ED form, the claimant and the claim preparer will be jointly and severally, or solidarily, liable for the penalty.

935 Was a claim preparer engaged in any aspect of the preparation of this SR&ED claim?

1 [X] Yes (complete the claim preparer information table and lines 970 and 975 below)

2 [ ] No (complete lines 970 and 975)

Claim preparer information table

940	945	950	955	960	965
Name of claim preparer (company or individual)	Business number	Billing arrangement code (see codes*)	Billing rate (percentage, hourly/daily rate or flat fee)	Other billing arrangement(s) (Maximum 10 words)	Total fee paid, payable, or expected to pay
1. KPMG LLP	12236 3153 RT0001	1	25.00		12,921
				Total	12,921

*** Billing arrangement codes**

Code	Type of billing arrangement
1	Contingency fee arrangement – where the fee is based on a percentage of the investment tax credit earned
2	Hourly rate
3	Daily rate
4	Flat fee arrangement (lump sum)
5	Other arrangements – describe the arrangement in box 960 in 10 words or less

970 I, Glen McAllister, certify that the information provided in this part is complete and accurate.
Name of authorized signing officer of the corporation, or individual (print)

Signature

975 2019-06-19
Year Month Day

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

Part 10 – Certification

I certify that I have examined the information provided on this form and on the attachments and it is true, correct, and complete.

165 Glen McAllister
Name of authorized signing officer of the corporation, or individual

Signature

170 2019-06-19
Date

175 KPMG LLP
Name of person/firm who completed this form

Privacy Notice

Personal information is collected pursuant to subsections 37(1), 37(11), and 162(5.1) of the *Income Tax Act* (the Act) and is used for verification of compliance, administration and enforcement of the Scientific Research and Experimental Development (SR&ED) program requirements.

Information may also be used for the administration and enforcement of other provisions of the Act, including assessment, audit, enforcement, collections, and appeals, and may be disclosed under information-sharing agreements in accordance with the Act. Incomplete or inaccurate information may result in assessment of monetary penalties and delays in processing SR&ED claims.

The social insurance number is collected pursuant to section 237 of the Act and is used for identification purposes.

Information is described in personal information bank CRA PPU 441 “Scientific Research and Experimental Development” in the Canada Revenue Agency (CRA) chapter of *Info Source*. Personal information is protected under the *Privacy Act*, and individuals have a right of access to, correction, and protection of their personal information. Further details regarding requests for personal information at the CRA and our *Info Source* chapter can be found at www.cra.gc.ca/atip.

Part 2 – Project information (continued)

Project number **1**

CRA internal form identifier 060
Code 1501

Complete a separate Part 2 for each project claimed this year.

Section A – Project identification

200 Project title (and identification code if applicable)

2018-01 Smart Devices for Grid Management

202 Project start date	**204** Completion or expected completion date	**206** Field of science or technology code (See guide for list of codes)	
2017-10	2020-11	2.02.01	Electrical and electronic engineering
Year Month	Year Month		

Project claim history

208 1 [ ] Continuation of a previously claimed project **210** 1 [X] First claim for the project

218 Was any of the work done jointly or in collaboration with other businesses? . . . . 1 [ ] Yes 2 [X] No

If you answered **yes** to line 218, complete lines 220 and 221.

220 Names of the businesses	**221** BN
1	
2	
3	

Section B – Project descriptions

242 What scientific or technological uncertainties did you attempt to overcome?
(*Maximum 50 lines*)

InnPower Inc. (InnPower or the company) operates ten substations, each with an incoming voltage of 44,000 volts. There are over 525 kilometers of high voltage lines under the company's jurisdiction, covering a 290 square kilometer service area within the Town of Innisfil and South Barrie. In seeking to advance technologies required to achieve smart grid capabilities, the following technological uncertainties needed to be addressed.

False tripping issues can occur even in healthy distribution feeders under delayed voltage recovery conditions, miscoordination and load unbalance issues during an out-of-section fault. Techniques were sought to prevent sympathetic or false tripping on the distribution network and to allow tripping only under actual fault conditions, while minimizing outage durations. However, due to complexities associated with the distribution network, it was unknown if lowering individual feeder currents and balancing feeder loads would reduce or eliminate pre-fault unbalance currents.

Periodic variations in voltage levels within distribution networks typically have detrimental impacts on resistive loads, particularly lighting. Mitigation techniques include injection of reactive power to compensate for the active power fluctuations. However for power quality effectiveness, this requires complex reactive power compensation to dynamically control the voltage level at connection points and improve the power factor of any load that may be nearby. Experimentation was necessary to understand system relationships and properties that would lead to a robust solution.

The RF communication architecture was congested with meter messages, thus resulting in higher propagation delays. It was uncertain how the communication architecture could be improved to minimize the latency.

244 What work did you perform **in the tax year** to overcome the scientific or technological uncertainties described in line 242?
(Summarize the systematic investigation or search) (*Maximum 100 lines*)

Systematic investigations were carried out toward the development of techniques to allow feeder protection to operate only under real fault conditions without initiating any false tripping of healthy feeders at the time of distribution network faults. A substantial review of historical

244 What work did you perform **in the tax year** to overcome the scientific or technological uncertainties described in line 242? (Summarize the systematic investigation or search) (*Maximum 100 lines*)

tripping events were analyzed and correlated to physical events on the distribution system. It was realized that all unbalanced faults produced negative sequence current. In addressing this, two groups of strategies were developed in combination with directional negative sequence functions; phase overcurrent and time delayed under voltage function. Group-1 strategy was used as graded overcurrent with directional negative sequence function in order to eliminate only for particular feeder fault and prevent the sympathetic tripping. Group 2 strategy was used as graded overcurrent system with under voltage function to initiate disturbance/waveform recorder to analyze the fault. Further, strategies were also developed to accurately identify a "cold load pickup" and "High Set Instantaneous pickup" that could cause false trips.

Also, because the grid has a mixture of long single phase distribution as well as three-phase loads, experimentation was carried out to improve reliability on every relay such that one group would allow single phase tripping and the other group would only allow a gang-operated 3-phase trip. The hypothesis was to set group one tripping on the single phase distribution such that the other two un-faulted phases could remain undisturbed on a feeder fault. Group two or ganged tripping would be implemented on feeders with three-phase load to mitigate the transformer issues. Finally, back-feeding through the feeders from the LV system to the HV system on a loss of supply were analyzed to prevent a fault. In addition, an alarm signal network was connected to the outage management system (OMS) control center to isolate the feeder manually as necessary. Testing showed significant improvements in proactively eliminating tripping. All of these improvements were piloted in the system and along with environmental management resulted in an average reduction in sustained and momentary outages by over 87%.

It was hypothesized that triangulation techniques would enable accurate identification of fault locations using the output data obtained from the fault indicators and feeders in the distribution system. The following parameters associated with the voltage fluctuations were analyzed: Fault type, current and impedance, peak-to-peak RMS (root mean square) voltage and the time duration of flicker. As a proof of concept, InnPower developed techniques to analyze the impedance values associated with the fault currents/voltages such that the fault impedance could be compared to the system impedance and available fault current in order to estimate the fault location. The development of this triangulation technique involved integrating CIS and GIS data, and an algorithm to determine the faulty equipment. This was implemented in such a way that if an outage call is reported from three different end nodes simultaneously, this data was used along with GIS to pinpoint faults. Tests were done to improve the underlying techniques with respect to isolating false positives. The solution ultimately led to the ability to accurately identify and manage faults. The objective in FY19 is to develop geo-spatial techniques to represent power distribution areas (including connectivity models) within a proprietary GIS to accurately identify the faults. Density analysis was carried out in FY18 and experiments will continue in the next year to import the subdivision details into GIS.

/

Two zones with 3Km radius each were chosen to test the latency issues and through tests, it was proposed that delays were present due to two main reasons: RF propagation challenges due to the absence of LOS (Line of Sight) transmission paths and congestions caused by millions of endpoints. Signal propagation studies were carried out to understand the radiation patterns of antenna and analyze the signal to noise ratio (SNR). Techniques were developed to detune the antenna to allow LOS communication, while simultaneously introducing DR (demand response) techniques to efficiently handle traffic. As load tests were carried out, InnPower observed significant reductions in the

244 What work did you perform **in the tax year** to overcome the scientific or technological uncertainties described in line 242? (Summarize the systematic investigation or search) (*Maximum 100 lines*)

round trip latency from 1000ms to 100ms.

246 What scientific or technological advancements did you achieve or attempt to achieve as a result of the work described in line 244? (*Maximum 50 lines*)

The work performed for this project in FY18 represents a technological advancement in the fields of Electrical and Electronic Engineering.

InnPower learned to improve outage management by understanding how to overcome sympathetic\false tripping on the distribution network such that tripping is allowed only under real fault conditions. This necessitated a thorough analysis on the distribution network to identify and improve the relay settings.

InnPower advanced the understanding of fault analysis/identification through improved triangulation approaches using a variety of sources of information, thereby minimizing flicker issues. The Company learned that triangulation techniques could be successfully developed to accurately identify and isolate the fault locations by integrating CIS and GIS data.

InnPower advanced the understanding of how to improve RF communication to reduce round trip latency issues present in the network.

Section C – Additional project information

Who prepared the responses for Section B?

253 1 [X] Employee directly involved in the project	**254** Name: Danny Persaud
255 1 [ ] Other employee of the company	**256** Name:
257 1 [X] External consultant	**258** Name: KPMG LLP — **259** Firm: KPMG LLP

List the key individuals directly involved in the project and indicate their qualifications/experience.

	260 Names	**261** Qualifications/experience and position title
1	Danny Persaud	COO, B.Eng. Engineering Systems and Computing, 10+ years of Engineering
2	Morteza Mirkeshmiri	Power System Designer, 10+ years of Engineering Experience.
3	Sheldon Lamoureux	GIS and AutoCAD Technician, 5 + years of Engineering Experience.

265 Are you claiming any salary or wages for SR&ED performed outside Canada? . . . 1 [ ] Yes 2 [X] No

266 Are you claiming expenditures for SR&ED carried out on behalf of another party? . . . 1 [ ] Yes 2 [X] No

267 Are you claiming expenditures for SR&ED performed by people other than your employees? . . . 1 [X] Yes 2 [ ] No

If you answered **yes** to line 267, complete lines 268 and 269.

	268 Names of individuals or companies	**269** BN
1	Survalent Technology	13119 7386 RT0001

268 Names of individuals or companies	269 BN
2 NBM Engineering	86620 9620 RT0001

What evidence do you have to support your claim? (Check any that apply)
You do not need to submit these items with the claim. However, you are required to retain them in the event of a review.

270 1	X Project planning documents	276 1	X Progress reports, minutes of project meetings
271 1	X Records of resources allocated to the project, time sheets	277 1	X Test protocols, test data, analysis of test results, conclusions
272 1	X Design of experiments	278 1	Photographs and videos
273 1	X Project records, laboratory notebooks	279 1	Samples, prototypes, scrap or other artefacts
274 1	Design, system architecture and source code	280 1	X Contracts
275 1	Records of trial runs	281 1	Others, specify 282

Tax Instalments

Federal tax instalments

For the taxation year ended 2019-12-31

Business number 89242 2817 RC0001

You can also mail a cheque or a money order payable to the Minister of Finance, to Ministry of Finance, HYDRO PILS DIVISION, 33 King St, Oshawa ON L1H 1A1

Monthly instalment workchart

Date	Monthly tax instalments	Refund transferred to instalments	Instalments paid	Cumulative difference	Instalments payable
2019-01-31	3,906				3,906
2019-02-28	3,906				3,906
2019-03-31	3,906				3,906
2019-04-30	3,906				3,906
2019-05-31	3,906				3,906
2019-06-30	3,906				3,906
2019-07-31	3,906				3,906
2019-08-31	3,906				3,906
2019-09-30	3,906				3,906
2019-10-31	3,906				3,906
2019-11-30	3,906				3,906
2019-12-31	3,900				3,900
Totals	46,866				46,866

Canada Revenue Agency / Agence du revenu du Canada

T2 Corporation Income Tax Return

200

055 Do not use this area

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

All legislative references on this return are to the federal Income Tax Act and Income Tax Regulations. This return may contain changes that had not yet become law at the time of publication.

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

For more information see **canada.ca/taxes** or Guide T4012, T2 Corporation – Income Tax Guide.

Identification

Business number (BN) 001 89242 2817 RC0001

Corporation's name
002 InnPower Corporation

Address of head office
Has this address changed since the last time we were notified? . . . . 010 Yes [ ] No [X]
If **yes**, complete lines 011 to 018.
011 7251 Yonge Street
012
City: 015 Innisfil
Province, territory, or state: 016 ON
Country (other than Canada): 017
Postal or ZIP code: 018 L9S 0J3

Mailing address (if different from head office address)
Has this address changed since the last time we were notified? . . . . 020 Yes [ ] No [X]
If **yes**, complete lines 021 to 028.
021 c/o
022 7251 Yonge Street
023
City: 025 Innisfil
Province, territory, or state: 026 ON
Country (other than Canada): 027
Postal or ZIP code: 028 L9S 0J3

Location of books and records (if different from head office address)
Has this address changed since the last time we were notified? . . . . 030 Yes [ ] No [X]
If **yes**, complete lines 031 to 038.
031 7251 Yonge Street
032
City: 035 Innisfil
Province, territory, or state: 036 ON
Country (other than Canada): 037
Postal or ZIP code: 038 L9S 0J3

040 **Type of corporation at the end of the tax year** (tick one)
- [X] 1 Canadian-controlled private corporation (CCPC)
- [ ] 2 Other private corporation
- [ ] 3 Public corporation
- [ ] 4 Corporation controlled by a public corporation
- [ ] 5 Other corporation (specify)

If the type of corporation changed during the tax year, provide the effective date of the change . . . . 043 Year Month Day

To which tax year does this return apply?
Tax year start: 060 Year Month Day 2018-01-01
Tax year-end: 061 Year Month Day 2018-12-31

Has there been an acquisition of control resulting in the application of subsection 249(4) since the tax year start on line 060? . . . . 063 Yes [ ] No [X]
If **yes**, provide the date control was acquired . . . . 065 Year Month Day

Is the date on line 061 a deemed tax year-end according to subsection 249(3.1)? . . . . 066 Yes [ ] No [X]

Is the corporation a professional corporation that is a member of a partnership? . . . . 067 Yes [ ] No [X]

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

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

Is this the final tax year before amalgamation? . . . . 076 Yes [ ] No [X]

Is this the final return up to dissolution? . . . . 078 Yes [ ] No [X]

If an election was made under section 261, state the functional currency used 079

Is the corporation a resident of Canada? 080 Yes [X] No [ ]
If **no**, give the country of residence on line 081 and complete and attach Schedule 97.
081

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

If the corporation is exempt from tax under section 149, tick one of the following boxes:
085
- [ ] 1 Exempt under paragraph 149(1)(e) or (l)
- [ ] 2 Exempt under paragraph 149(1)(j)
- [ ] 3 Exempt under paragraph 149(1)(t) (for tax years starting before 2019)
- [ ] 4 Exempt under other paragraphs of section 149

Do not use this area
095 096 898

Attachments

Financial statement information: Use GIFI schedules 100, 125, and 141.
Schedules – Answer the following questions. For each **yes** response, **attach** the schedule to the T2 return, unless otherwise instructed.

		Yes	Schedule
Is the corporation related to any other corporations?	150	X	9
Is the corporation an associated CCPC?	160	X	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	161		49
Does the corporation have any non-resident shareholders who own voting shares?	151		19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
If you answered **yes** to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
Is the corporation claiming a loss or deduction from a tax shelter?	166		T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	167		T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust (without reference to section 94)?	168		22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	169		25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the Income Tax Regulations?	170		29
Did the corporation have a total amount over CAN$1 million of reportable transactions with non-arm's length non-residents?	171		T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172		———
Does the corporation earn income from one or more Internet web pages or websites?	180		88
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
Has the corporation made any charitable donations; gifts of cultural or ecological property; or gifts of medicine?	202	X	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203		3
Is the corporation claiming any type of losses?	204	X	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205	X	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	206		6
i) Is the corporation a CCPC and reporting a) income or loss from property (other than dividends deductible on line 320 of the T2 return), b) income from a partnership, c) income from a foreign business, d) income from a personal services business, e) income referred to in clause 125(1)(a)(i)(C) or 125(1)(a)(i)(B), f) aggregate investment income as defined in subsection 129(4), or g) an amount assigned to it under subsection 125(3.2) or 125(8); or ii) Is the corporation a member of a partnership and assigning its specified partnership business limit to a designated member under subsection 125(8)?	207	X	7
Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
Does the corporation have any resource-related deductions?	212		12
Is the corporation claiming deductible reserves?	213		13
Is the corporation claiming a patronage dividend deduction?	216		16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or a provincial credit union tax reduction?	217		17
Is the corporation an investment corporation or a mutual fund corporation?	218		18
Is the corporation carrying on business in Canada as a non-resident corporation?	220		20
Is the corporation claiming any federal, provincial, or territorial foreign tax credits, or any federal logging tax credits?	221		21
Does the corporation have any Canadian manufacturing and processing profits?	227		27
Is the corporation claiming an investment tax credit?	231	X	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232	X	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over $10,000,000?	233	X	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over $10,000,000?	234	X	———
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
Is the corporation claiming a Part I tax credit?	242		42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
Is the corporation subject to Part II – Tobacco Manufacturers' surtax?	249		46
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250		39
Is the corporation claiming a Canadian film or video production tax credit?	253		T1131
Is the corporation claiming a film or video production services tax credit?	254		T1177
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	255		92

Attachments (continued)

		Yes	Schedule
Did the corporation have any foreign affiliates in the tax year?	271		T1134
Did the corporation own or hold specified foreign property where the total cost amount of all such property, at any time in the year, was more than CAN$100,000?	259		T1135
Did the corporation transfer or loan property to a non-resident trust?	260		T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261		T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262		T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263		T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264		T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	265		55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	266		T2002
Has the corporation revoked any previous election made under subsection 89(11)?	267		T2002
Did the corporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its general rate income pool (GRIP) change in the tax year?	268	X	53
Did the corporation (other than a CCPC or DIC) pay eligible dividends, or did its low rate income pool (LRIP) change in the tax year?	269		54

Additional information

		Yes	No
Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	X	
Is the corporation inactive?	280		X

What is the corporation's main revenue-generating business activity? 221122 Electric Power Distribution

Specify the principal products mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

284	Electricity distributor	285	100.000 %
286		287	%
288		289	%

		Yes	No
Did the corporation immigrate to Canada during the tax year?	291		X
Did the corporation emigrate from Canada during the tax year?	292		X
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293		

If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible 294 Year Month Day

If the corporation's major business activity is construction, did you have any subcontractors during the tax year? 295 Yes No

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI			300	874,644	A
Deduct:					
Charitable donations from Schedule 2	311	11,070			
Cultural gifts from Schedule 2	313				
Ecological gifts from Schedule 2	314				
Gifts of medicine made before March 22, 2017, from Schedule 2	315				
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320				
Part VI.1 tax deduction*	325				
Non-capital losses of previous tax years from Schedule 4	331	833,827			
Net capital losses of previous tax years from Schedule 4	332				
Restricted farm losses of previous tax years from Schedule 4	333				
Farm losses of previous tax years from Schedule 4	334				
Limited partnership losses of previous tax years from Schedule 4	335				
Taxable capital gains or taxable dividends allocated from a central credit union	340				
Prospector's and grubstaker's shares	350				
Subtotal		844,897	►	844,897	B
Subtotal (amount A **minus** amount B) (if negative, enter "0")				29,747	C
Section 110.5 additions or subparagraph 115(1)(a)(vii) additions			355		D
Taxable income (amount C **plus** amount D)			360	29,747	
Income exempt under paragraph 149(1)(t) (for tax years starting before 2019)			370		
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 **minus** line 370)				29,747	Z
Taxable income for the year from a personal services business					Z.1

* This amount is equal to 3.5 times the Part VI.1 tax payable at line 724 on page 9.

Small business deduction

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

Income eligible for the small business deduction from Schedule 7	400	2,151,644	A
Taxable income from line 360 on page 3, **minus** 100/28 (3.57143) of the amount on line 632* on page 8, **minus** 4 times the amount on line 636** on page 8, and **minus** any amount that, because of federal law, is exempt from Part I tax	405	29,747	B
Business limit (see notes 1 and 2 below)	410	500,000	C

Notes:

1. For CCPCs that are not associated, enter $ 500,000 on line 410. However, if the corporation's tax year is less than 51 weeks, prorate this amount by the number of days in the tax year **divided** by 365, and enter the result on line 410.
2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

Business limit reduction

Taxable capital business limit reduction

Amount C 500,000 x 415 *** 443,126 D / 11,250 = 19,694,489 E

Passive income business limit reduction

Adjusted aggregate investment income from Schedule 7**** 417 ______ – 50,000 = ______ F

Amount C 500,000 / 100,000 x Amount F ______ = ______ G

Subtotal (the greater of amount E and amount G) 422 19,694,489 H

Reduced business limit for tax years starting before 2019 (amount C **minus** amount E) (if negative, enter "0")	425		I
Reduced business limit for tax years starting after 2018 (amount C **minus** amount H) (if negative, enter "0")	426		J
Business limit the CCPC assigns under subsection 125(3.2) (from line 515 on page 5)			K
Reduced business limit after assignment for tax years starting before 2019 (amount I **minus** amount K)	427		L
Reduced business limit after assignment for tax years starting after 2018 (amount J **minus** amount K)	428		M

Small business deduction

Tax years starting before 2019

Amount A, B, C, or L, whichever is the least ______ x Number of days in the tax year before January 1, 2018 ______ / Number of days in the tax year 365 x 17.5 % = ______ 1

Amount A, B, C, or L, whichever is the least ______ x Number of days in the tax year after December 31, 2017, and before January 1, 2019 365 / Number of days in the tax year 365 x 18 % = ______ 2

Amount A, B, C, or L, whichever is the least ______ x Number of days in the tax year after December 31, 2018 ______ / Number of days in the tax year 365 x 19 % = ______ 3

Tax years starting after 2018

Amount A, B, C, or M, whichever is the least ______ x 19 % = ______ 4

Small business deduction (total of amounts 1 to 4) 430 ______ N

Enter amount N at amount J on page 8.

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

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

*** **Large corporations**

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

**** Enter the total adjusted aggregate investment income of the corporation and all associated corporations. For the first tax year starting after 2018, use the total of lines 744 of Schedule 7. Otherwise, use the total of lines 745 of the preceding tax year.

Small business deduction (continued)

Specified corporate income and assignment under subsection 125(3.2)

	O1 Name of corporation receiving the income and assigned amount	O Business number of the corporation receiving the assigned amount 490	P Income paid under clause 125(1)(a)(i)(B) to the corporation identified in column O [3] 500	Q Business limit assigned to corporation identified in column O [4] 505
1.				
			Total 510	Total 515

Notes:

3. This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts each of which is income from an active business of the corporation for the year from the provision of services or property to a private corporation (directly or indirectly, in any manner whatever) if
(A) at any time in the year, the corporation (or one of its shareholders) or a person who does not deal at arm's length with the corporation (or one of its shareholders) holds a direct or indirect interest in the private corporation, and
(B) it is not the case that all or substantially all of the corporation's income for the year from an active business is from the provision of services or property to
(I) persons (other than the private corporation) with which the corporation deals at arm's length, or
(II) partnerships with which the corporation deals at arm's length, other than a partnership in which a person that does not deal at arm's length with the corporation holds a direct or indirect interest.
4. The amount of the business limit you assign to a CCPC cannot be greater than the amount determined by the formula A – B, where A is the amount of income referred to in column P in respect of that CCPC and B is the portion of the amount described in A that is deductible by you in respect of the amount of income referred to in clauses 125(1)(a)(i)(A) or (B) for the year. The amount on line 515 cannot be greater than the amount on line 425 (426 for tax years starting after 2018).

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the tax year

Taxable income from page 3 (line 360 or amount Z, whichever applies)			29,747	A
Lesser of amounts 9B and 9H from Part 9 of Schedule 27		B		
Amount 13K from Part 13 of Schedule 27		C		
Personal services business income	432	D		
Amount from line 400, 405, 410, or 427 (428 instead of 427 for tax years starting after 2018) on page 4, whichever is the least		E		
Aggregate investment income from line 440 on page 6*		F		
Subtotal (**add** amounts B to F)		►		G
Amount A **minus** amount G (if negative, enter "0")			29,747	H
General tax reduction for Canadian-controlled private corporations – Amount H **multiplied** by 13 %			3,867	I

Enter amount I on line 638 on page 8.

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

General tax reduction

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

Taxable income from page 3 (line 360 or amount Z, whichever applies)				J
Lesser of amounts 9B and 9H from Part 9 of Schedule 27		K		
Amount 13K from Part 13 of Schedule 27		L		
Personal services business income	434	M		
Subtotal (**add** amounts K to M)		►		N
Amount J **minus** amount N (if negative, enter "0")				O
General tax reduction – Amount O **multiplied** by 13 %				P

Enter amount P on line 639 on page 8.

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the tax year

Aggregate investment income from Schedule 7 . . . **440** ______ x 30 2/3 % =			A
Foreign non-business income tax credit from line 632 on page 8		B	
Foreign investment income from Schedule 7 . . . **445** ______ x 8 % =		C	
Subtotal (amount B **minus** amount C) (if negative, enter "0")		▶	D
Amount A **minus** amount D (if negative, enter "0")			E
Taxable income from line 360 on page 3	29,747	F	
Amount from line 400, 405, 410, or 427 (428 instead of 427 for tax years starting after 2018) on page 4, whichever is the least		G	
Foreign non-business income tax credit from line 632 on page 8 ______ x 75 / 29 =		H	
Foreign business income tax credit from line 636 on page 8 ______ x 4 =		I	
Subtotal (**add** amounts G to I) ▶		J	
Subtotal (amount F **minus** amount J) (if negative, enter "0")	29,747	K x 30 2/3 % =	9,122 L
Part I tax payable minus investment tax credit refund (line 700 **minus** line 780 from page 9)			M
Refundable portion of Part I tax – Amount E, L, or M, whichever is the least		**450**	N

Refundable dividend tax on hand (for tax years starting before 2019)

Refundable dividend tax on hand at the end of the previous tax year	**460**		
Dividend refund for the previous tax year	**465**		
Subtotal (line 460 **minus** line 465)		▶	O
Refundable portion of Part I tax from line 450 above		P	
Total Part IV tax payable from Schedule 3		Q	
Net refundable dividend tax on hand transferred on an amalgamation or the wind-up of a subsidiary	**480**		
Subtotal (amount P **plus** amount Q **plus** line 480)		▶	R
Refundable dividend tax on hand at the end of the tax year – Amount O **plus** amount R		**485**	

Dividend refund (for tax years starting before 2019)

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

Taxable dividends paid in the tax year from line 460 on page 3 of Schedule 3 ______ x 38 1/3 % =		S
Refundable dividend tax on hand at the end of the tax year from line 485 above		T
Dividend refund – Amount S or T, whichever is less		U

Enter amount U on line 784 on page 9.

Refundable dividend tax on hand (for tax years starting after 2018)

Refundable dividend tax on hand (RDTOH) at the end of the previous tax year 460
Dividend refund for the previous tax year 465
Net RDTOH transferred on an amalgamation or the wind-up of a subsidiary 480
Subtotal (line 460 **minus** line 465 **plus** line 480) A

General rate income pool (GRIP) at the end of the previous tax year (from line 100 of schedule 53) . . . . B

Total eligible dividends paid in the previous tax year (from line 300 of schedule 53) C
Total excessive eligible dividend designation in the previous tax year (from line 310 of Schedule 53) . . D
Subtotal (amount C **minus** amount D) (if negative, enter "0") ▶ E

Net GRIP at the end of the previous tax year (amount B **minus** amount E) (if negative, enter "0") . . . . F
GRIP transferred on an amalgamation or the wind-up of a subsidiary
(total of lines 230 and 240 of schedule 53) . . . . G
Subtotal (amount F **plus** amount G) ▶ H

Amount H **multiplied** by 38 1 / 3 % I

Eligible refundable dividend tax on hand (ERDTOH) at the end of the previous tax year (for the first tax year starting after 2018, amount A or I, whichever is less, otherwise, use line 530 ________ of the preceding tax year) . . . . 520 J

Non-eligible refundable dividend tax on hand (NERDTOH) at the end of the previous tax year (for the first tax year starting after 2018, amount A **minus** amount I, otherwise, use line 545 ________ of the preceding tax year) (if negative, enter "0") 535 K

Part IV tax payable on taxable dividends from connected corporations (amount 2G from Schedule 3) . . L
Part IV tax payable on eligible dividends from non-connected corporations (amount 2J from Schedule 3) M
Subtotal (amount L **plus** amount M) ▶ N

Net ERDTOH transferred on an amalgamation or the wind-up of a subsidiary . . . . 525 O
ERDTOH dividend refund for the previous tax year . . . . 570 P

Refundable portion of Part I tax (from line 450 on page 6) . . . . Q

Part IV tax before deductions (amount 2A from Schedule 3) . . . . R
Part IV tax allocated to ERDTOH (amount N) . . . . S
Part IV tax reduction due to Part IV.1 tax payable (amount 4D of Schedule 43) . . . . T
Subtotal (amount R **minus** total of amounts S and T) ▶ U

Net NERDTOH transferred on an amalgamation or the wind-up of a subsidiary . . . . 540 V
NERDTOH dividend refund for the previous tax year . . . . 575 W
38 1/3% of the total losses applied against Part IV tax (amount 2D from Schedule 3) X
Part IV tax payable allocated to NERDTOH, net of losses claimed (amount U **minus** amount X) (if negative enter "0") . . . . . . Y
NERDTOH at the end of the tax year* (total of amounts K, Q, V, and Y **minus** amount W) (if negative, enter "0") 545
Part IV tax payable allocated to ERDTOH, net of losses claimed (amount N **minus** amount X **plus** amount U, if amount X is greater than amount U, otherwise, amount N.) (if negative, enter "0") . . . . Z
ERDTOH at the end of the tax year* (total of amounts J, O, and Z **minus** amount P) (if negative, enter "0") 530

* For more information, consult the Help (F1).

Dividend refund (for tax years starting after 2018)

38 1/3% of total eligible dividends paid in the tax year (amount 3A from Schedule 3) . . . . AA
ERDTOH balance at the end of the tax year (line 530) . . . . BB
Eligible dividend refund (amount AA or BB, whichever is less) CC

38 1/3% of total non-eligible taxable dividends paid in the tax year (amount 3B from Schedule 3) . . . . DD

NERDTOH balance at the end of the tax year (line 545) . . . . EE
Non-eligible dividend refund (amount DD or EE, whichever is less) . . . . FF

Amount DD **minus** amount EE (if negative, enter "0") . . . . GG
Amount BB **minus** amount CC (if negative, enter "0") . . . . HH
Additional non-eligible dividend refund (amount GG or HH, whichever is less) II

Dividend refund* – Amount CC **plus** amount FF **plus** amount II . . . . JJ
Enter amount JJ on line 784 on page 9.

* For more information, consult the Help (F1).

Part I tax

Base amount Part I tax – Taxable income from page 3 (line 360 or amount Z, whichever applies) **multiplied** by 38 %			550	11,304 A
Additional tax on personal services business income (section 123.5)				
Taxable income from a personal services business	555	x 5 % =	560	B
Recapture of investment tax credit from Schedule 31			602	C

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

Aggregate investment income from line 440 on page 6		D	
Taxable income from line 360 on page 3	29,747 E		
Deduct:			
Amount from line 400, 405, 410, or 427 (428 instead of 427 for tax years starting after 2018) on page 4, whichever is the least	F		
Net amount (amount E **minus** amount F)	29,747 ▶	29,747 G	
Refundable tax on CCPC's investment income – 10 2 / 3 % of whichever is less: amount D or amount G		604	H
Subtotal (**add** amounts A, B, C, and H)			11,304 I

Deduct:

Small business deduction from line 430 on page 4		J	
Federal tax abatement	608	2,975	
Manufacturing and processing profits deduction from Schedule 27	616		
Investment corporation deduction	620		
Taxed capital gains 624			
Federal foreign non-business income tax credit from Schedule 21	632		
Federal foreign business income tax credit from Schedule 21	636		
General tax reduction for CCPCs from amount I on page 5	638	3,867	
General tax reduction from amount P on page 5	639		
Federal logging tax credit from Schedule 21	640		
Eligible Canadian bank deduction under section 125.21	641		
Federal qualifying environmental trust tax credit	648		
Investment tax credit from Schedule 31	652	4,462	
Subtotal		11,304 ▶	11,304 K

Part I tax payable – Amount I **minus** amount K L

Enter amount L on line 700 on page 9.

Privacy statement

Personal information is collected under the Income Tax Act to administer tax, benefits, and related programs. It may also be used for any purpose related to the enforcement of the Act such as audit, compliance and collections activities. It may be shared or verified with other federal, provincial, territorial or foreign government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties or other actions. Under the Privacy Act, individuals have the right to access, or request correction of, their personal information, or to file a complaint with the Privacy Commissioner of Canada regarding the handling of their personal information. Refer to Personal Information Bank CRA PPU 047 at **canada.ca/cra-info-source**.

Summary of tax and credits

Federal tax

Part I tax payable from amount L on page 8	700	
Part II surtax payable from Schedule 46	708	
Part III.1 tax payable from Schedule 55	710	
Part IV tax payable from Schedule 3	712	
Part IV.1 tax payable from Schedule 43	716	
Part VI tax payable from Schedule 38	720	
Part VI.1 tax payable from Schedule 43	724	
Part XIII.1 tax payable from Schedule 92	727	
Part XIV tax payable from Schedule 20	728	
Total federal tax		

Add provincial or territorial tax:

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

Net provincial or territorial tax payable (except Quebec and Alberta)	760	46,866
Total tax payable	770	46,866 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780	
Dividend refund from amount U on page 6 or JJ on page 7	784	
Federal capital gains refund from Schedule 18	788	
Federal qualifying environmental trust tax credit refund	792	
Canadian film or video production tax credit (Form T1131)	796	
Film or video production services tax credit (Form T1177)	797	
Tax withheld at source	800	
Total payments on which tax has been withheld	801	
Provincial and territorial capital gains refund from Schedule 18	808	
Provincial and territorial refundable tax credits from Schedule 5	812	
Tax instalments paid	840	
Labour tax credit for qualifying journalism organizations		
Total credits	890	B

Balance (amount A **minus** amount B) 46,866

Refund code **894** Refund

If the result is negative, you have a **refund**.
If the result is positive, you have a **balance owing**.
Enter the amount on whichever line applies.
Generally, we do not charge or refund a difference of $2 or less.

Balance owing 46,866

For information on how to make your payment, go to **canada.ca/payments**.

Direct deposit request

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

☐ Start ☐ Change information

910 Branch number

914 Institution number **918** Account number

If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due? **896** Yes ☐ No X

If this return was prepared by a tax preparer for a fee, provide their EFILE number **920** A6698

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

Certification

I, **950** McAllister (Last name) **951** Glen (First name) **954** CFO (Position, office, or rank),

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

955 2019-06-19 — Date (yyyy/mm/dd)

Signature of the authorized signing officer of the corporation

956 (705) 431-6870 — Telephone number

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

958 Lisa McCaskie — Name of other authorized person

959 (705) 431-6870 — Telephone number

Language of correspondence – Langue de correspondance

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

990 1

InnPower Corporation
89242 2817 RC0001
REGULATION 1101(5b.1) ELECTION FOR THE YEAR ENDED
December 31, 2018

InnPower Corporation ("InnPower") is electing pursuant to paragraph 1101(5b.1) of the *Income Tax Regulations* to designate a separate 6% capital cost allowance class for eligible non-residential building additions acquired in the 2018 taxation year and included in Class 1.

Effectively, this election will permit InnPower to claim an additional 2% capital cost allowance on Class 1 additions acquired during the 2018 taxation year. The Class 1 acquisitions made in the taxation year to which this election should apply are as follows:

- Class 1b addition – $196,000

Financial Statements of

INNPOWER CORPORATION

Year ended December 31, 2018
(Expressed in thousands of dollars)

KPMG LLP
115 King Street South
2nd Floor
Waterloo ON N2J 5A3 Canada
Tel 519-747-8800
Fax 519-747-8830

INDEPENDENT AUDITORS' REPORT

To the Shareholder of InnPower Corporation

Opinion

We have audited the financial statements of InnPower Corporation (the Entity), which comprise:

- The statement of financial position as at December 31, 2018
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

Page 3

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Waterloo, Canada

April 11, 2019

INNPOWER CORPORATION

Statement of Financial Position
December 31, 2018, with comparative information for 2017
(Expressed in thousands of dollars)

	Note	2018	2017
Assets			
Current assets			
Cash		$ 213	$ 503
Accounts receivable	5	5,159	4,701
Unbilled revenue		4,531	4,057
Income taxes recoverable	9	-	219
Materials and supplies	6	662	543
Prepaid expenses		382	403
Total current assets		10,947	10,426
Non-current assets			
Property, plant and equipment	7	69,681	66,777
Intangible assets	8	535	509
Total non-current assets		70,216	67,286
Total assets		81,163	77,712
Regulatory debit balances	10	4,411	2,823
Total assets and regulatory balances		$ 85,574	$ 80,535

See accompanying notes to the financial statements.

INNPOWER CORPORATION

Statement of Financial Position
December 31, 2018, with comparative information for 2017
(Expressed in thousands of dollars)

	Note		2018		2017
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	11	$	7,250	$	7,556
Current portion of long-term debt	12		1,176		1,111
Income taxes payable	9		177		-
Customer deposits			39		409
Total current liabilities			8,642		9,076
Non-current liabilities					
Construction deposits			3,358		2,770
Long-term debt	12		35,135		34,645
Post-employment benefits	13		178		157
Contributions in aid of construction			14,411		13,283
Deferred tax liabilities	9		742		229
Total non-current liabilities			53,824		51,084
Total liabilities			62,466		60,160
Equity					
Share capital	14		10,852		10,852
Retained earnings			10,032		7,612
Contributed surplus			1,600		1,600
Accumulated other comprehensive income			26		26
Total equity			22,510		20,090
Total liabilities and equity			84,976		80,250
Regulatory credit balances	10		598		285
Total liabilities, equity and regulatory balances		$	85,574	$	80,535

See accompanying notes to the financial statements.

On behalf of the Board:

____________________ Director   ____________________ Director

INNPOWER CORPORATION

Statement of Comprehensive Income
Year ended December 31, 2018, with comparative information for 2017
(Expressed in thousands of dollars)

	Note	2018	2017
Revenue			
Sale of energy		$ 30,888	$ 30,973
Distribution revenue		10,834	9,286
Other	15	1,434	714
		43,156	40,973
Operating expenses			
Cost of power purchased		31,777	31,698
Operating		5,911	6,114
Depreciation and amortization		2,503	2,418
Loss on disposal of property, plant and equipment		11	53
		40,202	40,283
Income from operating activities		2,954	690
Finance income	17	16	11
Finance costs	17	(1,293)	(1,299)
		(1,277)	(1,288)
Income (loss) before income taxes		1,677	(598)
Income tax expense		739	133
Net earnings (loss) for the year		938	(731)
Net movement in regulatory balances, net of tax		1,482	766
Net income for the year and net movement in regulatory balances		2,420	35

See accompanying notes to the financial statements.

INNPOWER CORPORATION

Statement of Changes in Equity
Year ended December 31, 2018, with comparative information for 2017
(Expressed in thousands of dollars)

	Share capital	Retained earnings	Contributed surplus	Accumulated other comprehensive income (loss)	Total
Balance at January 1, 2017	$ 10,852	$ 7,577	$ 1,600	$ 26	$ 20,055
Net income and net movement in regulatory balances	-	35	-	-	35
Balance at December 31, 2017	$ 10,852	$ 7,612	$ 1,600	$ 26	$ 20,090
Balance at January 1, 2018	$ 10,852	$ 7,612	$ 1,600	$ 26	$ 20,090
Net income and net movement in regulatory balances	-	2,420	-	-	2,420
Balance at December 31, 2018	$ 10,852	$ 10,032	$ 1,600	$ 26	$ 22,510

See accompanying notes to the financial statements.

INNPOWER CORPORATION

Statement of Cash Flows
Year ended December 31, 2018, with comparative information for 2017
(Expressed in thousands of dollars)

	2018	2017
Operating activities		
Total comprehensive income	$ 2,420	$ 35
Adjustments for:		
Depreciation and amortization	2,593	2,518
Amortization of contributions in aid of construction	(232)	(419)
Post-employment benefits	21	17
Loss on disposal of property, plant and equipment	11	53
Net finance costs	1,277	1,288
Income tax expense	739	133
Income tax expense within net movement in regulatory balances	513	201
	7,342	3,826
Change in non-cash operating working capital:		
Accounts receivable	(458)	1,984
Unbilled revenue	(475)	189
Materials and supplies	(119)	(77)
Prepaid expenses	21	(25)
Accounts payable and accrued liabilities	(306)	(1,751)
Customer deposits	219	(24)
	(1,118)	296
Regulatory balances	(2,014)	(616)
Income tax recovered	396	769
Interest paid	(1,293)	(1,299)
Interest received	16	11
Net cash from operating activities	3,329	2,987
Investing activities		
Purchase of property, plant and equipment	(5,370)	(4,795)
Proceeds on disposal of property, plant and equipment	5	28
Purchase of intangible assets	(169)	(95)
Construction contributions received	1,360	2,171
Net cash used by investing activities	(4,174)	(2,691)
Financing activities		
Bank indebtedness	-	(1,819)
Proceeds from long-term debt	1,666	3,100
Repayment of long-term debt	(1,111)	(1,074)
Net cash from financing activities	555	207
Change in cash	(290)	503
Cash, beginning of year	503	-
Cash, end of year	$ 213	$ 503

See accompanying notes to the financial statements.

1. Reporting entity

InnPower Corporation (the "Corporation") is a rate regulated, municipally owned hydro distribution company incorporated under the laws of Ontario, Canada. The Corporation is located in the Town of Innisfil ("the Town"). The address of the Corporation's registered office is 7251 Yonge Street, Innisfil, Ontario.

The Corporation delivers electricity and related energy services to residential and commercial customers in the Town and South Barrie. The Corporation is wholly owned by the Town of Innisfil.

The financial statements are for the Corporation as at and for the year ended December 31, 2018.

2. Basis of presentation

(a) Statement of compliance

The Corporation's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The financial statements were approved by the Board of Directors on April 11, 2019.

(b) Basis of measurement

These financial statements have been prepared on the historical cost basis, unless otherwise stated.

(c) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Corporation's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest thousand.

2. Basis of presentation (continued)

(d) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment is included in the following notes:

(i) Note 3(b) - measurement of unbilled revenue
(ii) Note 3 (b) – determination of the performance obligation for contributions from customers and the related amortization period.
(iii) Notes 7, 8 - estimation of useful lives of its property, plant and equipment and intangible assets
(iv) Note 10 - recognition and measurement of regulatory balances
(v) Note 13 - measurement of defined benefit obligations: key actuarial assumptions
(vi) Note 18 - recognition and measurement of provisions and contingencies

(e) Rate regulation

The Corporation is regulated by the Ontario Energy Board ("OEB"), under the authority granted by the *Ontario Energy Board Act, 1998*. Among other things, the OEB has the power and responsibility to approve or set rates for the transmission and distribution of electricity, providing continued rate protection for electricity consumers in Ontario, and ensuring that transmission and distribution companies fulfill obligations to connect and service customers. The OEB may also prescribe license requirements and conditions of service to local distribution companies ("LDCs"), such as the Corporation, which may include, among other things, record keeping, regulatory accounting principles, separation of accounts for distinct businesses, and filing and process requirements for rate setting purposes.

The Corporation is required to bill customers for the debt retirement charge set by the province. The Corporation may file to recover uncollected debt retirement charges from Ontario Electricity Financial Corporation ("OEFC") once each year.

2. Basis of presentation (continued)

(e) Rate regulation (continued)

Rate setting

Distribution revenue

For the distribution revenue included in sale of energy, the Corporation files a “Cost of Service” (“COS”) rate application with the OEB every five years where rates are determined through a review of the forecasted annual amount of operating and capital expenditures, debt and shareholder’s equity required to support the Corporation’s business. The Corporation estimates electricity usage and the costs to service each customer class to determine the appropriate rates to be charged to each customer class. The COS application is reviewed by the OEB and interveners and rates are approved based upon this review, including any revisions resulting from that review.

In the intervening years an Incentive Rate Mechanism application (“IRM”) is filed. An IRM application results in a formulaic adjustment to distribution rates that were set under the last COS application. The previous year’s rates are adjusted for the annual change in the Gross Domestic Product Implicit Price Inflator for Final Domestic Demand (“GDP IPI-FDD”) net of a productivity factor and a “stretch factor” determined by the relative efficiency of an electricity distributor.

As a licensed distributor, the Corporation is responsible for billing customers for electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties. The Corporation is required, pursuant to regulation, to remit such amounts to these third parties, irrespective of whether the Corporation ultimately collects these amounts from customers.

The Corporation last filed a COS application in June 2016 for rates effective January 1, 2017 to December 31, 2021. The Corporation received its decision on 2018 rates on May 3, 2018. There was no IRM done in 2017.

Electricity rates

The OEB sets electricity prices for low-volume consumers twice each year based on an estimate of how much it will cost to supply the province with electricity for the next year. All remaining consumers pay the market price for electricity. The Corporation is billed for the cost of the electricity that its customers use and passes this cost on to the customer at cost without a mark-up.

3. Significant accounting policies

The accounting policies set out below have been applied consistently in all years presented in these financial statements.

(a) Financial instruments

At initial recognition, the Company measures it's financial assets at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement of the financial asset depends on the classification determined on initial recognition. Financial assets are classified as either amortized cost, fair value through other comprehensive income or fair value through profit or loss, depending on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Financial assets are not reclassified subsequent to their initial recognition, unless the Company changes its business model for managing financial assets.

Financial liabilities are initially measured at fair value, net of transaction costs incurred. They are subsequently carried at amortized cost using the effective interest rate method; any difference between the proceeds (net of transaction costs) and the redemption value is recognized as an adjustment to interest expense over the period of the borrowings.

The Corporation has not enter into derivative instruments.

(b) Revenue recognition

Sale and distribution of electricity

The performance obligations for the sale and distribution of electricity are recognized over time using an output method to measure the satisfaction of the performance obligation. The value of the electricity services transferred to the customer is determined on the basis of cyclical meter readings plus estimated customer usage since the last meter reading date to the end of the year and represents the amount that the Corporation has the right to bill. Revenue includes the cost of electricity supplied, distribution, and any other regulatory charges. The related cost of power is recorded on the basis of power used.

For customer billings related to electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties, the Corporation has determined that it is acting as a principal for these electricity charges and, therefore, has presented electricity revenue on a gross basis.

Customer billings for debt retirement charges are recorded on a net basis as the Corporation is acting as an agent for this billing stream.

3. Significant accounting policies (continued)

(b) Revenue recognition (continued)

Capital contributions

Developers are required to contribute towards the capital cost of construction of distribution assets in order to provide ongoing service. The developer is not a customer and therefore the contributions are scoped out of IFRS 15 *Revenue from Contracts with Customers*. Cash contributions, received from developers are recorded as deferred revenue. When an asset other than cash is received as a capital contribution, the asset is initially recognized at its fair value, with a corresponding amount recognized as deferred revenue. The deferred revenue, which represents the Corporation's obligation to continue to provide the customers access to the supply of electricity, is amortized to income on a straight-line basis over the useful life of the related asset.

Certain customers are also required to contribute towards the capital cost of construction of distribution assets in order to provide ongoing service. These contributions fall within the scope of IFRS 15 *Revenue from Contracts with Customers*. The contributions are received to obtain a connection to the distribution system in order receive ongoing access to electricity. The Corporation has concluded that the performance obligation is the supply of electricity over the life of the relationship with the customer which is satisfied over time as the customer receives and consumes the electricity. Revenue is recognized on a straight-line basis over the useful life of the related asset.

Other revenue

Revenue earned from the provision of services is recognized as the service is rendered.

Government grants and the related performance incentive payments under CDM programs are recognized as revenue in the year when there is reasonable assurance that the program conditions have been satisfied and the payment will be received.

(c) Materials and supplies

Materials and supplies, the majority of which is consumed by the Corporation in the provision of its services, is valued at the lower of cost and net realizable value, with cost being determined on an average cost basis, and includes expenditures incurred in acquiring the materials and supplies and other costs incurred in bringing them to their existing location and condition.

3. Significant accounting policies (continued)

(d) Property, plant and equipment

Items of property, plant and equipment ("PP&E") used in rate-regulated activities and acquired prior to January 1, 2015 are measured at the deemed cost (carrying value as elected under IFRS 1) established on the transition date, less accumulated depreciation. All other items of PP&E are measured at cost, or, where the item is contributed by customers, its fair value, less accumulated depreciation.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes contracted services, materials and transportation costs, direct labour, overhead costs, borrowing costs and any other costs directly attributable to bringing the asset to a working condition for its intended use.

Borrowing costs on qualifying assets are capitalized as part of the cost of the asset based upon the weighted average cost of debt incurred on the Corporation's borrowings. Qualifying assets are considered to be those that take in excess of 12 months to construct.

When parts of an item of PP&E have different useful lives, they are accounted for as separate items (major components) of PP&E.

When items of PP&E are retired or otherwise disposed of, a gain or loss on disposal is determined by comparing the proceeds from disposal, if any, with the carrying amount of the item and is included in profit or loss.

Major spare parts and standby equipment are recognized as items of PP&E.

The cost of replacing a part of an item of PP&E is recognized in the net book value of the item if it is probable that the future economic benefits embodied within the part will flow to the Corporation and its cost can be measured reliably. In this event, the replaced part of PP&E is written off, and the related gain or loss is included in profit or loss. The costs of the day-to-day servicing of PP&E are recognized in profit or loss as incurred.

The need to estimate the decommissioning costs at the end of the useful lives of certain assets is reviewed periodically. The Corporation has concluded it does not have any legal or constructive obligation to remove PP&E.

Depreciation is calculated to write off the cost of items of PP&E using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss. Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted prospectively if appropriate. Land is not depreciated. Construction-in-progress assets are not depreciated until the project is complete and the asset is available for use.

(Expressed in thousands of dollars)

3. Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

The estimated useful lives are as follows:

	Years
Buildings and fixtures	50 years
Substations	30 years
Distribution lines	15-60 years
Distribution transformers	40-50 years
Meters	15-25 years
Office equipment	10 years
Computer equipment	5 years
Transportation equipment	10 years
Small tools and miscellaneous equipment	10 years
System supervisory	15 years

(e) Intangible assets

Intangible assets used in rate-regulated activities and acquired prior to January 1, 2015 are measured at deemed cost (carrying value as elected under IFRS 1) established on the transition date, less accumulated amortization. All other intangible assets are measured at cost.

Computer software that is acquired or developed by the Corporation after January 1, 2015, including software that is not integral to the functionality of equipment purchased which has finite useful lives, is measured at cost less accumulated amortization.

Payments to obtain rights to access land ("land rights") are classified as intangible assets. These include payments made for easements, right of access and right of use over land for which the Corporation does not hold title. Land rights are measured at cost less accumulated amortization.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. Amortization methods and useful lives of all intangible assets are reviewed at each reporting date and adjusted prospectively if appropriate. The estimated useful lives are:

	Years
Computer software	3 years
Land rights	50 years

3. Significant accounting policies (continued)

(f) Impairment

(i) Financial assets measured at amortized cost

A loss allowance for expected credit losses on financial assets measured at amortized cost is recognized at the reporting date. The loss allowance is measured at an amount equal to the lifetime expected credit losses for the asset.

(ii) Non-financial assets

The carrying amounts of the Corporation's non-financial assets, other than materials and supplies and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or “CGU”). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(g) Customer deposits

Customer deposits represent cash deposits from electricity distribution customers and retailers to guarantee the payment of energy bills. Interest is paid on customer deposits.

Deposits are refundable to customers who demonstrate an acceptable level of credit risk as determined by the Corporation in accordance with policies set out by the OEB or upon termination of their electricity distribution service.

(h) Provisions

A provision is recognized if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

3. Significant accounting policies (continued)

(i) Regulatory balances

Regulatory deferral account debit balances represent costs incurred in excess of amounts billed to the customer at OEB approved rates. Regulatory deferral account credit balances represent amounts billed to the customer at OEB approved rates in excess of costs incurred by the Corporation.

Regulatory deferral account debit balances are recognized if it is probable that future billings in an amount at least equal to the deferred cost will result from inclusion of that cost in allowable costs for rate-making purposes. The offsetting amount is recognized in net movement in regulatory balances in profit or loss or OCI. When the customer is billed at rates approved by the OEB for the recovery of the deferred costs, the customer billings are recognized in revenue. The regulatory debit balance is reduced by the amount of these customer billings with the offset to net movement in regulatory balances in profit or loss or OCI.

The probability of recovery of the regulatory deferral account debit balances is assessed annually based upon the likelihood that the OEB will approve the change in rates to recover the balance. The assessment of likelihood of recovery is based upon previous decisions made by the OEB for similar circumstances, policies or guidelines issued by the OEB, etc. Any resulting impairment loss is recognized in profit or loss in the year incurred.

When the Corporation is required to refund amounts to ratepayers in the future, the Corporation recognizes a regulatory deferral account credit balance. The offsetting amount is recognized in net movement in regulatory balances in profit or loss or OCI. The amounts returned to the customers are recognized as a reduction of revenue. The credit balance is reduced by the amount of these customer repayments with the offset to net movement in regulatory balances in profit or loss or OCI.

3. Significant accounting policies (continued)

(j) Post-employment benefits

(i) Pension plan

The Corporation provides a pension plan for all its full-time employees through Ontario Municipal Employees Retirement System ("OMERS"). OMERS is a multi-employer pension plan which operates as the Ontario Municipal Employees Retirement Fund ("the Fund"), and provides pensions for employees of Ontario municipalities, local boards and public utilities. The Fund is a contributory defined benefit pension plan, which is financed by equal contributions from participating employers and employees, and by the investment earnings of the Fund. To the extent that the Fund finds itself in an under-funded position, additional contribution rates may be assessed to participating employers and members.

OMERS is a defined benefit plan. However, as OMERS does not segregate its pension asset and liability information by individual employers, there is insufficient information available to enable the Corporation to directly account for the plan. Consequently, the plan has been accounted for as a defined contribution plan. The Corporation is not responsible for any other contractual obligations other than the contributions. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss when they are due.

(ii) Post-employment benefits, other than pension

The Corporation provides some of its retired employees with life insurance and medical benefits beyond those provided by government sponsored plans.

The obligations for these post-employment benefit plans are actuarially determined by applying the projected unit credit method and reflect management's best estimate of certain underlying assumptions. Remeasurements of the net defined benefit obligations, including actuarial gains and losses and the return on plan assets (excluding interest), are recognized immediately in other comprehensive income. When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized immediately in profit or loss.

3. Significant accounting policies (continued)

(k) Leased assets

Leases, where the terms cause the Corporation to assume substantially all the risks and rewards of ownership, are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

All other leases are classified as operating leases and the leased assets are not recognized on the Corporation's statement of financial position. Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease.

(l) Finance income and finance costs

Finance income is recognized as it accrues in profit or loss, using the effective interest method. Finance income comprises interest earned on cash and dividend income.

Finance costs comprise interest expense on borrowings and net interest expense on post-employment benefits. Finance costs are recognized in profit or loss unless they are capitalized as part of the cost of qualifying assets.

(m) Income taxes

The income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case, it is recognized in equity.

The Corporation is currently exempt from taxes under the Income Tax Act (Canada) and the Ontario Corporations Tax Act (collectively the "Tax Acts"). Under the *Electricity Act*, 1998, the Corporation makes payments in lieu of corporate taxes to the Ontario Electricity Financial Corporation ("OEFC"). These payments are calculated in accordance with the rules for computing taxable income and taxable capital and other relevant amounts contained in the Tax Acts as modified by the *Electricity Act*, 1998, and related regulations. Prior to October 1, 2001, the Corporation was not subject to income or capital taxes. Payments in lieu of taxes are referred to as income taxes.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

3. Significant accounting policies (continued)

(m) Income taxes (continued)

Deferred tax is recognized in respect of temporary differences between the tax basis of assets and liabilities and their carrying amounts for accounting purposes. Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted, at the reporting date.

4. Changes to accounting policies

IFRS 15 Revenue from Contracts *with Customers and IFRS 9 Financial Instruments*

The Company has initially applied IFRS 15 *Revenue from Contracts with Customers* from January 1, 2018 on a retrospective basis. The following practical expedients have been used in the initial application of this new standard:

For completed contracts, the Corporation did not restate contracts that:

(i) Began and ended within the same annual reporting period; or
(ii) Were completed at the beginning of January 1, 2017.

IFRS 15 contains a five step model that applies to contracts with customers that specifies that revenue is recognized when or as an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled.

The Company has initially applied IFRS 9 *Financial Instruments* from January 1, 2018 on a retrospective basis. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for measuring impairment on financial assets, and new general hedge accounting requirements.

Despite the retrospective adoption, the accounting policy change did not result in a significant impact to the financial statements. As a result, the Company was not required to make any adjustments to the comparative figures upon initial adoption.

The updated accounting policies have been discussed further in note 3.

(Expressed in thousands of dollars)

5. Future changes in accounting policy and disclosures

Leases

In January 2016, IASB issued IFRS 16 to establish principles for the recognition, measurement, presentation, and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. IFRS 16 replaces IAS 17 and it is effective for annual periods beginning on or after January 1, 2019. The standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by the lessor. Other areas of the lease accounting model have been impacted, including the definition of a lease. Transitional provisions have been provided. The Corporation is assessing the impact of IFRS 16 on its results of operations, financial position and disclosures.

Uncertainty over Income Tax Treatments

The IASB issued IFRIC 23 to clarify how to apply the recognition and measurement requirements in IAS 12 Income Taxes. The IFRIC is effective for annual periods beginning on or after January 1, 2019. The Corporation is in the process of evaluating the impact of this standard.

6. Accounts receivable

	December 31, 2018	December 31, 2017
Trade customer receivables	$ 4,037	$ 4,201
Other receivables	715	235
Due from related parties	407	265
	$ 5,159	$ 4,701

(Expressed in thousands of dollars)

7. Property, plant and equipment

	Land and buildings	Distribution equipment	Other fixed assets	Construction -in-Progress	Total
Cost or deemed cost					
Balance at January 1, 2018	$ 14,574	$ 54,543	$ 4,490	$ 1,155	$ 74,762
Additions	196	4,287	775	112	5,370
Disposals/retirements	-	(27)	(35)	-	(62)
Balance at December 31, 2018	$ 14,770	$ 58,803	$ 5,230	$ 1,267	$ 80,070
Balance at January 1, 2017	$ 14,503	$ 50,735	$ 4,308	$ 725	$ 70,271
Additions	71	4,096	198	430	4,795
Disposals/retirements	-	(288)	(16)	-	(304)
Balance at December 31, 2017	$ 14,574	$ 54,543	$ 4,490	$ 1,155	$ 74,762
Accumulated depreciation					
Balance at January 1, 2018	$ 695	$ 5,601	$ 1,689	$ -	$ 7,985
Depreciation	280	1,698	472	-	2,450
Disposals/retirements	-	(11)	(35)	-	(46)
Balance at December 31, 2018	975	$ 7,288	$ 2,126	$ -	$ 10,389
Balance at January 1, 2017	$ 418	$ 4,210	$ 1,225	$ -	$ 5,853
Depreciation	277	1,599	479	-	2,355
Disposals/retirements	-	(208)	(15)	-	(223)
Balance at December 31, 2017	$ 695	$ 5,601	$ 1,689	$ -	$ 7,985
Carrying amounts					
At December 31, 2018	$ 13,795	$ 51,515	$ 3,104	$ 1,267	$ 69,681
At December 31, 2017	$ 13,879	$ 48,942	$ 2,801	$ 1,155	$ 66,777

(Expressed in thousands of dollars)

8. Intangible assets

		Computer software		Land rights		Total
Cost or deemed cost						
Balance at January 1, 2018	$	783	$	394	$	1,177
Additions		169				169
Balance at December 31, 2018	$	952	$	394	$	1,346
Balance at January 1, 2017	$	688	$	394	$	1,082
Additions		95		-		95
Balance at December 31, 2017	$	783		394		1,177
Accumulated amortization						
Balance at January 1, 2018	$	615	$	53	$	668
Amortization		130		13		143
Balance at December 31, 2018	$	745	$	66	$	811
Balance at January 1, 2017	$	464	$	41	$	505
Amortization		151		12		163
Balance at December 31, 2017	$	615		53		668
Carrying amounts						
At December 31, 2018	$	207	$	328	$	535
At December 31, 2017	$	168	$	341	$	509

9. Income tax expense

Current tax expense

		2018		2017
Based on current year taxable income	$	195	$	67
Prior year adjustments		31		-
	$	226	$	67

Deferred tax expense

		2018		2017
Origination and reversal of temporary differences	$	513	$	267
	$	513	$	267

(Expressed in thousands of dollars)

9. Income tax expense (continued)

Reconciliation of effective tax rate

	2018	2017
Income (loss) before income taxes	$ 3,158	$ (598)
Canada and Ontario statutory Income tax rates	26.5%	26.5%
Expected tax provision on income at statutory rates	837	(158)
Increase (decrease) in income taxes resulting from:		
Permanent differences	3	21
Prior period adjustment	31	278
Regulatory adjustment	(136)	-
Other	4	(8)
Income tax expense	$ 739	$ 133

Significant components of the Corporation's deferred tax balances

	2018	2017
Deferred tax assets (liabilities):		
Property, plant and equipment	$ (821)	$ (414)
Post-employment benefits	47	41
Corporate minimum tax	38	-
Non-capital losses	-	144
Other	(6)	-
	$ (742)	$ (229)

(Expressed in thousands of dollars)

10. Regulatory balances

Reconciliation of the carrying amount for each class of regulatory balances

Regulatory deferral account debit balances	January 1, 2018	Additions	Recovery/ reversal	December 31, 2018	Remaining recovery/ reversal years
Retail settlement variances	$ 2,513	$ 815	$ -	$ 3,328	2-3
Deferred income tax	289	720	-	1,009	-
Regulatory variances disposition	-	-	-	-	-
Other	21	-	53	74	1-3
	$ 2,823	$ 1,535	$ 53	$ 4,411	

Regulatory deferral account debit balances	January 1, 2017	Additions	Recovery/ reversal	December 31, 2017	Remaining years
Retail settlement variances	$ 1,752	$ 761	$ -	$ 2,513	2-3
Deferred income tax	20	269	-	289	-
Regulatory variances disposition	226	-	(226)	-	1-3
Other	25	-	(4)	21	-
	$ 2,023	$ 1,030	$ (230)	$ 2,823	

Regulatory deferral account credit balances	January 1, 2018	Additions	Recovery/ reversal	December 31, 2018	Remaining years
Deferred income tax	$ 60	$ 207	$ -	$ 267	-
Regulatory variances disposition	182	(250)	351	283	1-3
Other	43	5	-	48	-
	$ 285	$ (38)	$ 351	$ 598	

Regulatory deferral account credit balances	January 1, 2017	Additions	Recovery/ reversal	December 31, 2017	Remaining years
Deferred income tax	$ -	$ 60	$ -	$ 60	-
Regulatory variances disposition	-	(124)	306	182	1-3
Other	101	(58)	-	43	-
	$ 101	$ (122)	$ 306	$ 285	

(Expressed in thousands of dollars)

10. Regulatory balances (continued)

The regulatory balances are recovered or settled through rates approved by the OEB which are determined using estimates of future consumption of electricity by its customers. Future consumption is impacted by various factors including the economy and weather. The Corporation has received approval from the OEB to establish its regulatory balances.

Settlement of the Group 1 deferral accounts is done on an annual basis through application to the OEB. The OEB requires the Corporation to estimate its income taxes when it files a COS application to set its rates. As a result, the Corporation has recognized a regulatory deferral account for the amount of deferred taxes that will ultimately be recovered from/paid back to its customers. This balance will fluctuate as the Corporation's deferred tax balance fluctuates.

Regulatory balances attract interest at OEB prescribed rates, which are based on Bankers' Acceptances three-month rate plus a spread of 25 basis points. In 2018, the rate was 1.50% for January to March, 1.89% for April to September and 2.17% for October to December.

11. Accounts payable and accrued liabilities

	2018	2017
Power purchases	$ 2,325	$ 2,516
Trade payables	1,365	1,732
Due to related parties	3,370	2,856
Other	190	452
	$ 7,250	$ 7,556

(Expressed in thousands of dollars)

12. Long-term debt

	2018	2017
Term loan, interest at 4.53%, payable in monthly instalments, due 2020, secured by a General Security Agreement	$ 1,468	$ 1,559
Term loan, interest at 4.05%, payable in monthly instalments, due 2022, secured by a General Security Agreement	3,218	3,345
Term loan, interest at 3.81%, payable in monthly instalments, due 2022, secured by a General Security Agreement	3,324	3,444
Term loan, interest at 4.59%, payable in monthly instalments, due 2023, secured by a General Security Agreement	2,638	2,716
Term loan, interest at 3.96%, payable in monthly instalments, due 2024, secured by a General Security Agreement	1,832	1,873
Term loan, interest at 3.91%, payable in monthly instalments, due 2024, secured by a General Security Agreement	1,845	1,885
Term loan, interest at 3.68%, payable in monthly instalments, due 2025, secured by a General Security Agreement	1,846	1,888
Term loan, interest at 2.81%, payable in monthly instalments, due 2020, secured by a General Security Agreement	11,364	11,650
Term loan, interest at 3.48%, payable in monthly instalments, due 2026, secured by a General Security Agreement	2,791	2,851
Term loan, interest at 3.60%, payable in monthly instalments, due 2027, secured by a General Security Agreement	2,985	3,045
Ontario Infrastructure loan, interest at 3.91%, payable in semi-annual instalments, due 2026 secured by a General Security Agreement	1,333	1,500
Term loan, interest at 4.09%, payable in monthly Instalments, due 2048, secured by a General Security Agreement	1,667	-
	$ 36,311	35,756
Less current portion of long-term debt	1,176	1,111
	$ 35,135	$ 34,645

(Expressed in thousands of dollars)

12. Long-term debt (continued)

Principal payment due in each of the next five years are as follows:

2019	$	1,176
2020		13,252
2021		838
2022		6,319
2023		3,783

13. Post-employment benefits

(a) OMERS pension plan

The Corporation provides a pension plan for its employees through OMERS. The plan is a multi-employer, contributory defined pension plan with equal contributions by the employer and its employees. In 2018, the Corporation made employer contributions of $387 to OMERS (2017 - $361) which has been recognized in profit or loss. The Corporation estimates that a contribution of $400 to OMERS will be made during the next fiscal year.

As at December 31, 2018, OMERS had approximately 496,000 members, of whom 42 are current employees of the Corporation. The most recently available OMERS annual report is for the year ended December 31, 2018, which reported that the plan was 96% funded, with an unfunded liability of $3.9 billion. This unfunded liability may result in extra future payments by participating employers and members.

(b) Post-employment benefits other than pension

The Corporation pays certain medical and life insurance benefits on behalf of some of its retired employees. The Corporation recognizes these post-employment benefits in the year in which employees' services were rendered. The Corporation is recovering its post-employment benefits in rates based on the expense and remeasurements recognized for post-employment benefit plans.

Reconciliation of the obligation		2018		2017
Defined benefit obligation, beginning of year	$	157	$	140
Included in profit or loss				
Current service cost		15		15
Interest cost		6		5
		178		160
Benefits paid		-		(3)
Defined benefit obligation, end of year	$	178	$	157

(Expressed in thousands of dollars)

13. Post-employment benefits (continued)

Actuarial assumptions	2018	2017
Discount (interest) rate	3.90%	3.90%
Salary levels	3.10%	3.10%
Medical Costs	5.78%	5.99%
Dental Costs	4.50%	4.50%

(b) Post-employment benefits other than pension (continued)

A 1% increase in the assumed discount rate would result in the defined benefit obligation decreasing by $18. A 1% decrease in the assumed discount rate would result in the defined benefit obligation increasing by $20.

14. Share capital

	2018	2017
Authorized:		
Unlimited number of common shares		
Unlimited number of preferred shares		
Issued:		
1,000 common shares, no par value	$ 10,852	$ 10,852

15. Other revenue

	2018	2017
Collection and other service charges	$ 261	$ 250
Billing and other services	483	66
Rent	234	150
Independent Electricity System Operator programs	(145)	(294)
Recognition of contributions in aid of construction	446	419
Other	155	123
	$ 1,434	$ 714

(Expressed in thousands of dollars)

16. Employee salaries and benefits

		2018		2017
Salaries, wages and benefits	$	3,596	$	3,280
CPP and EI remittances		273		142
Contributions to OMERS		387		361
	$	4,256	$	3,783

17. Finance income and costs

		2018		2017
Finance income				
Interest income on bank deposits	$	16	$	11
Finance costs				
Interest expense on long-term debt		(1,277)		(1,290)
Interest expense on customer deposits		(5)		(5)
Other		(11)		(4)
		(1,293)		(1,299)
Net finance costs recognized in profit or loss	$	1,277	$	(1,288)

18. Commitments and contingencies

General Liability Insurance

The Corporation is a member of the Municipal Electric Association Reciprocal Insurance Exchange (MEARIE). MEARIE is a pooling of public liability insurance risks of many of the LDCs in Ontario. All members of the pool are subjected to assessment for losses experienced by the pool for the years in which they were members, on a pro-rata basis based on the total of their respective service revenues. As at December 31, 2018, no assessments have been made.

19. Related party transactions

(a) Parent and ultimate controlling party

The sole shareholder of the Corporation is the Town of Innisfil. The Town produces consolidated financial statements that are available for public use.

(Expressed in thousands of dollars)

19. Related party transactions (continued)

(b) Outstanding balances with related parties

		2018		2017
Town of Innisfil - receivable	$	177	$	152
InnServices Utilities Inc. - receivable		29		113
InnServices Utilities Inc. - payable		(3,370)		(2,856)
Innterprises Inc. – receivable		87		10
Innterprises Inc. – payable		(41)		-
	$	(3,118)	$	(2,581)

(c) Transactions with related parties

The Corporation delivers electricity to the Town throughout the year for the electricity needs of the Town and its related organizations. Electricity delivery charges are at prices and under terms approved by the OEB.

The Corporation also provides electricity and other services, including water and wastewater billing and collection, to InnServices Utilities Inc, an affiliate company. Electricity delivery charges are at prices and under terms approved by the OEB. Revenue includes $948 (2017 - $663) from InnServices Utilities Inc. for financial, billing, and other services.

(d) Key management personnel

The key management personnel of the Corporation have been defined as members of its board of directors and executive management team members. The compensation paid or payable is as follows:

		2018		2017
Directors' fees	$	43	$	46
Salaries and other benefits		732		730
	$	775	$	776

20. Financial instruments and risk management

Fair value disclosure

The carrying values of cash, accounts receivable, unbilled revenue, due from/to related parties and accounts payable and accrued liabilities approximate fair value because of the short maturity of these instruments. The carrying value of the customer deposits approximates fair value because the amounts are payable on demand.

The fair value of the long-term debt at December 31, 2018 is $37,256 (2017 - 36,628). The fair value is calculated based on the present value of future principal and interest cash flows, discounted at the current rate of interest at the reporting date.

Financial risks

The Corporation understands the risks inherent in its business and defines them broadly as anything that could impact its ability to achieve its strategic objectives. The Corporation's exposure to a variety of risks such as credit risk, interest rate risk, and liquidity risk, as well as related mitigation strategies are discussed below.

(a) Credit risk

Financial assets carry credit risk that a counterparty will fail to discharge an obligation which could result in a financial loss. Financial assets held by the Corporation, such as accounts receivable, expose it to credit risk. The Corporation earns its revenue from a broad base of customers located in the Town of Innisfil and South Barrie. As at December 31, 2018, no single customer accounts for a balance in excess of 10% of total accounts receivable (2017 – none).

The carrying amount of accounts receivable is reduced through the use of an allowance for impairment and the amount of the related impairment loss is recognized in profit or loss. Subsequent recoveries of receivables previously provisioned are credited to profit or loss. The balance of the allowance for impairment at December 31, 2018 is $132 (2017 - $100). An impairment loss of $102 (2017 - $114) was recognized during the year.

The Corporation's credit risk associated with accounts receivable is primarily related to payments from distribution customers. At December 31, 2017, approximately $116 (2017 - $142) is considered 60 days past due. The Corporation has over 17,000 customers, the majority of whom are residential. Credit risk is managed through collection of security deposits from customers in accordance with directions provided by the OEB and through credit insurance. As at December 31, 2018, the Corporation holds security deposits in the amount of $39 (2017 - $409).

20. Financial instruments and risk management (continued)

(b) Market risk

Market risks primarily refer to the risk of loss resulting from changes in commodity prices, foreign exchange rates, and interest rates. The Corporation currently does not have any material commodity or foreign exchange risk. The Corporation is exposed to fluctuations in interest rates as the regulated rate of return for the Corporation's distribution business is derived using a complex formulaic approach which is in part based on the forecast for long-term Government of Canada bond yields. This rate of return is approved by the OEB as part of the approval of distribution rates.

A 1% increase in the interest rate at December 31, 2018 would have increased interest expense on the long-term debt by $375, assuming all other variables remain constant. A 1% decrease in the interest rate would have an equal but opposite effect.

(c) Liquidity risk

The Corporation monitors its liquidity risk to ensure access to sufficient funds to meet operational and investing requirements. The Corporation's objective is to ensure that sufficient liquidity is on hand to meet obligations as they fall due while minimizing interest exposure. The Corporation has access to a $4,000 line of credit facility and monitors cash balances daily to ensure that a sufficient level of liquidity is on hand to meet financial commitments as they become due. As at December 31, 2018, no amounts had been drawn under the Corporation's credit facility (2017 - $nil).

The Corporation also has a letter of credit facility for $938 for the purpose of issuing letters of credit mainly to support the prudential requirements of the IESO, of which $nil has been drawn and posted with the IESO (2017 - $nil).

The majority of accounts payable, as reported on the statement of financial position, are due within 30 days.

(d) Capital disclosures

The main objectives of the Corporation, when managing capital, are to ensure ongoing access to funding to maintain and improve the electricity distribution system, compliance with covenants related to its credit facilities, prudent management of its capital structure with regard for recoveries of financing charges permitted by the OEB on its regulated electricity distribution business, and to deliver the appropriate financial returns.

The Corporation's definition of capital includes shareholder's equity and long-term debt. As at December 31, 2018, shareholder's equity amounts to $22,714 (2017 - $20,090) and long-term debt amounts to $36,311 (2017 - $35,756).

21. Future changes in accounting policy and disclosures

Leases

In January 2016, IASB issued IFRS 16 to establish principles for the recognition, measurement, presentation, and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. IFRS 16 replaces IAS 17 and it is effective for annual periods beginning on or after January 1, 2019. The standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by the lessor. Other areas of the lease accounting model have been impacted, including the definition of a lease. Transitional provisions have been provided. The Corporation is assessing the impact of IFRS 16 on its results of operations, financial position and disclosures.

Uncertainty over Income Tax Treatments

The IASB issued IFRIC 23 to clarify how to apply the recognition and measurement requirements in IAS 12 Income Taxes. The IFRIC is effective for annual periods beginning on or after January 1, 2019. The Corporation is in the process of evaluating the impact of this standard.

Canada Revenue Agency / Agence du revenu du Canada

Net Income (Loss) for Income Tax Purposes

Schedule 1

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2018-12-31

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes. For more information, see the T2 *Corporation – Income Tax Guide*.
- All legislative references are to the *Income Tax Act*.

Net income (loss) after taxes and extraordinary items from line 9999 of Schedule 125			2,420,000	A
Add:				
Provision for income taxes – current	101	226,000		
Provision for income taxes – deferred	102	513,000		
Interest and penalties on taxes	103	35		
Amortization of tangible assets	104	2,503,000		
Loss on disposal of assets	111	11,000		
Charitable donations and gifts from Schedule 2	112	11,070		
Scientific research expenditures deducted per financial statements	118	200,598		
Non-deductible meals and entertainment expenses	121	10,015		
Reserves from financial statements – balance at the end of the year	126	178,083		
Subtotal of additions		3,652,801 ▶	3,652,801	

Other additions:

Miscellaneous other additions:

	1 Description 605	2 Amount 295
1	Inducement under 12(1)(x) ITA	1,368,457
2	Amortization expensed in distribution expenses	89,889
3	Customer Deposits - paragraph 20(1)(a)	491,482
	Total of column 2	1,949,828 ▶ 296 1,949,828

Subtotal of other additions	199	1,949,828 ▶	1,949,828	
Total additions	500	5,602,629 ▶	5,602,629	B
Amount A **plus** amount B			8,022,629	C
Deduct:				
Capital cost allowance from Schedule 8	403	3,884,828		
SR&ED expenditures claimed in the year on line 460 from Form T661	411	189,067		
Reserves from financial statements – balance at the beginning of the year	414	156,696		
Subtotal of deductions		4,230,591 ▶	4,230,591	

Other deductions:

Miscellaneous other deductions:

	1 Description 705	2 Amount 395
1	13(7.4) electon re contributed capital	1,359,844
2	Customer Deposits - paragraph 20(1)(m)	491,482
3	Amortization of deferred contribution	446,161
4	2018 tax movement in reg. account	513,000
5	Co-op credits applied against wages	21,449
6	Gov't asistance adding back for SR&ED	4,839
7	SR&ED expenditures capitalized for accounting	80,619
	Total of column 2	2,917,394 ▶ 396 2,917,394

Subtotal of other deductions	499	2,917,394 ▶	2,917,394	
Total deductions	510	7,147,985 ▶	7,147,985	D
Net income (loss) for income tax purposes (amount C **minus** amount D)			874,644	E

Enter amount E on line 300 of the T2 return.

Inducement

This form is used to calculate inducements that a corporation must add to its income under paragraph 12(1)(x) ITA. If an amount reduces the capital cost of a property, this amount will be indicated in Part "Tax credits whose amount should reduce the capital cost of property."

If you want to transfer an amount to Schedule 1 and include it in the corporation's income for tax purposes, select the corresponding check box in column A. You can also select the option **Select this check box to add all the amounts to income calculated in Schedule 1** to transfer all the amounts to Schedule 1. In either case, the column A check box will be selected for that amount and it will therefore be updated to Schedule 1.

Tax credits whose amount should be added to income

Ontario

A		
	Portion of the Ontario research and development tax credit that relates to the prescribed proxy amount (PPA) and portion of the Ontario investment tax credit that relates to contributions made to SR&ED farming organizations	
X	Ontario co-operative education tax credit	8,613
	Ontario apprenticeship training tax credit	
	Ontario computer animation and special effects tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Ontario film and television tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Ontario production services tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Ontario interactive digital media tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Ontario sound recording tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Ontario book publishing tax credit	
	Portion of the Ontario innovation tax credit that relates to the prescribed proxy amount (PPA) and portion of the Ontario investment tax credit that relates to contributions made to SR&ED farming organizations	
	Ontario business-research institute tax credit	
	Ontario community food program donation tax credit for farmers	

Other amounts

A		
X	Contributed capital for fixed assets	1,359,844
	Total	1,359,844

Tax credits whose amount should reduce the capital cost of property

Canada Revenue Agency / Agence du revenu du Canada

Schedule 2

Charitable Donations and Gifts

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2018-12-31

- For use by corporations to claim any of the following:
  - the eligible amount of charitable donations to qualified donees
  - the Ontario, Nova Scotia, and British Columbia food donation tax credits for farmers
  - the eligible amount of gifts of certified cultural property
  - the eligible amount of gifts of certified ecologically sensitive land or
  - the additional deduction for gifts of medicine made before March 22, 2017
- All legislative references are to the federal Income Tax Act, unless stated otherwise.
- The eligible amount of a gift is the amount by which the fair market value of the gifted property exceeds the amount of an advantage, if any, for the gift.
- The donations and gifts can be carried forward for 5 years except for gifts of certified ecologically sensitive land made after February 10, 2014, which can be carried forward for 10 years. Provincial food donation tax credits must be applied in the current tax year.
- Use this schedule to show a transfer of unused amounts from previous years following an amalgamation or the wind-up of a subsidiary as described under subsections 87(1) and 88(1).
- Subsection 110.1(1.2) provides as follows:
  - Where a particular corporation has undergone an acquisition of control, for tax years that end on or after the acquisition of control, no corporation can claim a deduction for a gift made by the particular corporation to a qualified donee before the acquisition of control.
  - If a particular corporation makes a gift to a qualified donee pursuant to an arrangement under which both the gift and the acquisition of control is expected, no corporation can claim a deduction for the gift unless the person acquiring control of the particular corporation is the qualified donee.
- An eligible medical gift made before March 22, 2017, to a qualifying organization for activities outside of Canada may be eligible for an additional deduction. Calculate the additional deduction in Part 5.
- File one completed copy of this schedule with your T2 Corporation Income Tax Return.
- For more information, see the T2 Corporation – Income Tax Guide.

Part 1 – Charitable donations

Charity/Recipient	Amount ($100 or more only)
Innisfil Soccer Club	150
Innisfil YMCA	250
United Way	10,000
Innisfil Community Church	370
Youth Haven	300
Subtotal	11,070
Add: Total donations of less than $100 each	
Total donations in current tax year	11,070

Part 1 – Charitable donations

	Line	Federal		Québec	Alberta
Charitable donations at the end of the previous tax year			A		
Charitable donations expired after 5 tax years*	239				
Charitable donations at the beginning of the current tax year (amount A **minus** line 239)	240				
Charitable donations transferred on an amalgamation or the wind-up of a subsidiary	250				
Total charitable donations made in the current year (include this amount on line 112 of Schedule 1 Net Income (Loss) for Income Tax Purposes)	210	11,070		11,070	11,070
Subtotal (line 250 **plus** line 210)		11,070	B	11,070	11,070
Subtotal (line 240 **plus** amount B)		11,070	C	11,070	11,070
Adjustment for an acquisition of control	255				
Total charitable donations available (amount C **minus** line 255)		11,070	D	11,070	11,070
Amount applied in the current year against taxable income (cannot be more than amount L in Part 2) (enter this amount on line 311 of the T2 return)	260	11,070		11,070	11,070
Charitable donations closing balance (amount D **minus** line 260)	280				

The amount of qualifying donations for the Ontario community food program donation tax credit for farmers included in the amount on line 260 (for donations made after December 31, 2013) . . . **262** ______

Ontario community food program donation tax credit for farmers (amount on line 262 **multiplied** by 25 %) . . . ______ 1

Enter amount 1 on line 420 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the Ontario income tax otherwise payable or amount 1. For more information, see section 103.1.2 of the Taxation Act, 2007 (Ontario).

The amount of qualifying donations for the Nova Scotia food bank tax credit for farmers included in the amount on line 260 (for donations made after December 31, 2015) . . . **263** ______

Nova Scotia food bank tax credit for farmers (amount on line 263 **multiplied** by 25 %) . . . ______ 2

Enter amount 2 on line 570 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the Nova Scotia income tax otherwise payable or amount 2. For more information, see section 50A of the Nova Scotia Income Tax Act.

The amount of qualifying gifts for the British Columbia farmers' food donation tax credit included in the amount on line 260 (for donations made after February 16, 2016 and before January 1, 2020) . . . **265** ______

British Columbia farmers' food donation tax credit (amount on line 265 **multiplied** by 25 %) . . . ______ 3

Enter amount 3 on line 683 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the British Columbia income tax otherwise payable or amount 3. For more information, see section 20.1 of the British Columbia Income Tax Act.

* For federal and Alberta tax purposes, donations and gifts expire after five tax years. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, expire after five tax years; otherwise, donations and gifts expire after twenty tax years.

Amounts carried forward – Charitable donations

Year of origin:		Federal	Québec	Alberta
1st prior year	2017-12-31			
2nd prior year	2016-12-31			
3rd prior year	2015-12-31			
4th prior year	2014-12-31			
5th prior year	2013-12-31			
6th prior year*	2012-12-31			
7th prior year	2011-12-31			
8th prior year	2010-12-31			
9th prior year	2009-12-31			
10th prior year	2008-12-31			
11th prior year	2007-12-31			
12th prior year	2006-12-31			
13th prior year	2005-12-31			
14th prior year	2004-12-31			
15th prior year	2003-12-31			
16th prior year	2002-12-31			
17th prior year	2001-12-31			
18th prior year				
19th prior year				
20th prior year				
21st prior year*				
Total (to line A)				

* For federal and Alberta tax purposes, donations and gifts included on line *6th prior year* expire automatically in the current tax year. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, that are included on line *6th prior year* and donations and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Part 2 – Maximum allowable deduction for charitable donations

Net income for tax purposes* **multiplied** by 75 %		655,983	E
Taxable capital gains arising in respect of gifts of capital property included in Part 1 **	225		
Taxable capital gain in respect of a disposition of a non-qualifying security under subsection 40(1.01)	227		
The amount of the recapture of capital cost allowance in respect of charitable donations	230		
Proceeds of disposition, **less** outlays and expenses**			F
Capital cost**			G
Amount F or G, whichever is less	235		
Amount on line 230 or 235, whichever is less			H
Subtotal (**add** line 225, 227, and amount H)			I
Amount I **multiplied** by 25 %			J
Subtotal (amount E **plus** amount J)		655,983	K
Maximum allowable deduction for charitable donations (enter amount D from Part 1, amount K, or net income for tax purposes, whichever is less)		11,070	L

* For credit unions, subsection 137(2) states that this amount is before the deduction of payments pursuant to allocations in proportion to borrowing and bonus interest.

** This amount must be prorated by the following calculation: eligible amount of the gift **divided by** the proceeds of disposition of the gift.

Part 3 – Gifts of certified cultural property

	Line	Federal		Québec	Alberta
Gifts of certified cultural property at the end of the previous tax year			M		
Gifts of certified cultural property expired after 5 tax years*	439				
Gifts of certified cultural property at the beginning of the current tax year (amount M **minus** line 439)	440				
Gifts of certified cultural property transferred on an amalgamation or the wind-up of a subsidiary	450				
Total gifts of certified cultural property in the current year (include this amount on line 112 of Schedule 1)	410				
Subtotal (line 450 **plus** line 410)			N		
Subtotal (line 440 **plus** amount N)			O		
Adjustment for an acquisition of control	455				
Amount applied in the current year against taxable income (enter this amount on line 313 of the T2 return)	460				
Subtotal (line 455 **plus** line 460)			P		
Gifts of certified cultural property closing balance (amount O **minus** amount P)	480				

* For federal and Alberta tax purposes, donations and gifts expire after five tax years. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, expire after five tax years; otherwise, donations and gifts expire after twenty tax years.

Amount carried forward – Gifts of certified cultural property

Year of origin:		Federal	Québec	Alberta
1st prior year	2017-12-31			
2nd prior year	2016-12-31			
3rd prior year	2015-12-31			
4th prior year	2014-12-31			
5th prior year	2013-12-31			
6th prior year*	2012-12-31			
7th prior year	2011-12-31			
8th prior year	2010-12-31			
9th prior year	2009-12-31			
10th prior year	2008-12-31			
11th prior year	2007-12-31			
12th prior year	2006-12-31			
13th prior year	2005-12-31			
14th prior year	2004-12-31			
15th prior year	2003-12-31			
16th prior year	2002-12-31			
17th prior year	2001-12-31			
18th prior year				
19th prior year				
20th prior year				
21st prior year*				
Total				

* For federal and Alberta tax purposes, donations and gifts included on line *6th prior year* expire automatically in the current tax year. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, that are included on line *6th prior year* and donations and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Part 4 – Gifts of certified ecologically sensitive land

		Federal		Québec	Alberta
Gifts of certified ecologically sensitive land at the end of the previous tax year			Q		
Gifts of certified ecologically sensitive land expired after 5 tax years, or after 10 tax years for gifts made after February 10, 2014*	539				
Gifts of certified ecologically sensitive land at the beginning of the current tax year (amount Q **minus** line 539)	540				
Gifts of certified ecologically sensitive land transferred on an amalgamation or the wind-up of a subsidiary	550				
Total current-year gifts of certified ecologically sensitive land (include this amount on line 112 of Schedule 1)	520				
Subtotal (line 550 **plus** line 520)			R		
Subtotal (line 540 **plus** amount R)			S		
Adjustment for an acquisition of control	555				
Amount applied in the current year against taxable income (enter this amount on line 314 of the T2 return)	560				
Subtotal (line 555 **plus** line 560)			T		
Gifts of certified ecologically sensitive land closing balance (amount S **minus** amount T)	580				

* For federal and Alberta tax purposes, donations and gifts made before February 11, 2014, expire after five tax years and gifts made after February 10, 2014, expire after ten tax years. For Québec tax purposes, donations and gifts made during a tax year that ended before March 24, 2006, expire after five tax years; otherwise, donation and gifts expire after twenty tax years.

Amounts carried forward – Gifts of certified ecologically sensitive land

Amount of carried forward gifts made on or after February 11, 2014, in the tax year including this date ....

Year of origin:		Federal	Québec	Alberta
1st prior year	2017-12-31			
2nd prior year	2016-12-31			
3rd prior year	2015-12-31			
4th prior year	2014-12-31			
5th prior year	2013-12-31			
6th prior year*	2012-12-31			
7th prior year	2011-12-31			
8th prior year	2010-12-31			
9th prior year	2009-12-31			
10th prior year	2008-12-31			
11th prior year*	2007-12-31			
12th prior year	2006-12-31			
13th prior year	2005-12-31			
14th prior year	2004-12-31			
15th prior year	2003-12-31			
16th prior year	2002-12-31			
17th prior year	2001-12-31			
18th prior year				
19th prior year				
20th prior year				
21st prior year*				
Total				

* For federal and Alberta tax purposes, donations and gifts made before February 11, 2014, that are included on line *6th prior year* and gifts that are included on line *11th prior year* expire automatically in the current year.

The field "Amount of carried forward gifts made on or after February 11, 2014, in the tax year including this date" is used to distinguish the portion of the gifts made in the tax year straddling February 11, 2014, that expires after ten tax years, from the portion that expires in the current tax year.

For Québec tax purposes, donations and gifts made during a tax year that ended before March 24, 2006, that are included on line *6th prior year* and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Part 5 – Additional deduction for gifts of medicine

		Federal		Québec	Alberta
Additional deduction for gifts of medicine at the end of the previous tax year			U		
Additional deduction for gifts of medicine expired after 5 tax years*	639				
Additional deduction for gifts of medicine at the beginning of the current tax year (amount U **minus** line 639)	640				
Additional deduction for gifts of medicine made before March 22, 2017 transferred on an amalgamation or the wind-up of a subsidiary	650				
Additional deduction for gifts of medicine made before March 22, 2017:					
Proceeds of disposition	602				
Cost of gifts of medicine made before March 22, 2017	601				
Subtotal (line 602 **minus** line 601)			V		
Amount V **multiplied** by 50 %			W		
Eligible amount of gifts	600				

Federal

a ______ x (b / c) = Additional deduction for gifts of medicine made before March 22, 2017 **610** ______

Québec

a ______ x (b / c) = Additional deduction for gifts of medicine made before March 22, 2017 ______

Alberta

a ______ x (b / c) = Additional deduction for gifts of medicine made before March 22, 2017 ______

where:
a is the **lesser** of line 601 and amount W
b is the eligible amount of gifts (line 600)
c is the proceeds of disposition (line 602)

		Federal		Québec	Alberta
Subtotal (line 650 **plus** line 610)			X		
Subtotal (line 640 **plus** amount X)			Y		
Adjustment for an acquisition of control	655				
Amount applied in the current year against taxable income (enter this amount on line 315 of the T2 return)	660				
Subtotal (line 655 **plus** line 660)			Z		
Additional deduction for gifts of medicine closing balance (amount Y **minus** amount Z)	680				

* For federal and Alberta tax purposes, donations and gifts expire after five tax years. For Québec tax purposes, donations and gifts made in a tax year that ended before March 19, 2007, expire after five tax years; otherwise, donations and gifts expire after twenty tax years.

Amounts carried forward – Additional deduction for gifts of medicine

Year of origin:		Federal	Québec	Alberta
1st prior year	2017-12-31			
2nd prior year	2016-12-31			
3rd prior year	2015-12-31			
4th prior year	2014-12-31			
5th prior year	2013-12-31			
6th prior year*	2012-12-31			
7th prior year	2011-12-31			
8th prior year	2010-12-31			
9th prior year	2009-12-31			
10th prior year	2008-12-31			
11th prior year	2007-12-31			
12th prior year	2006-12-31			
13th prior year	2005-12-31			
14th prior year	2004-12-31			
15th prior year	2003-12-31			
16th prior year	2002-12-31			
17th prior year	2001-12-31			
18th prior year				
19th prior year				
20th prior year				
21st prior year*				
Total				

* For federal and Alberta tax purposes, donations and gifts included on line *6th prior year* expire automatically in the current tax year. For Québec tax purposes, donations and gifts made in a tax year that ended before March 19, 2007, that are included on line *6th prior year* and donations and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Québec – Gifts of musical instruments

Gifts of musical instruments at the end of the previous tax year		A
Deduct: Gifts of musical instruments expired after twenty tax years		B
Gifts of musical instruments at the beginning of the tax year		C
Add:		
Gifts of musical instruments transferred on an amalgamation or the wind-up of a subsidiary		D
Total current-year gifts of musical instruments		E
Subtotal (line D **plus** line E)		F
Deduct: Adjustment for an acquisition of control		G
Total gifts of musical instruments available		H
Deduct: Amount applied against taxable income (enter this amount on line 255 of form CO-17)		I
Gifts of musical instruments closing balance		J

Amounts carried forward – Gifts of musical instruments

Year of origin:		Québec
1st prior year	2017-12-31	
2nd prior year	2016-12-31	
3rd prior year	2015-12-31	
4th prior year	2014-12-31	
5th prior year	2013-12-31	
6th prior year*	2012-12-31	
7th prior year	2011-12-31	
8th prior year	2010-12-31	
9th prior year	2009-12-31	
10th prior year	2008-12-31	
11th prior year	2007-12-31	
12th prior year	2006-12-31	
13th prior year	2005-12-31	
14th prior year	2004-12-31	
15th prior year	2003-12-31	
16th prior year	2002-12-31	
17th prior year	2001-12-31	
18th prior year		
19th prior year		
20th prior year		
21st prior year*		
Total		

* These gifts expired in the current year.

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Schedule 4

Corporation Loss Continuity and Application

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2018-12-31

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

Part 1 – Non-capital losses

Determination of current-year non-capital loss

Net income (loss) for income tax purposes			874,644	A
Deduct: (increase a loss)				
Net capital losses deducted in the year (enter as a positive amount)		a		
Taxable dividends deductible under section 112 or subsections 113(1) or 138(6)		b		
Amount of Part VI.1 tax deductible under paragraph 110(1)(k)		c		
Amount deductible as prospector's and grubstaker's shares – Paragraph 110(1)(d.2)		d		
Subtotal (total of amounts a to d)		▶		B
Subtotal (amount A **minus** amount B; if positive, enter "0")				C
Deduct: (increase a loss)				
Section 110.5 or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions				D
Subtotal (amount C **minus** amount D)				E
Add: (decrease a loss)				
Current-year farm loss (the lesser of: the net loss from farming or fishing included in income and the non-capital loss before deducting the farm loss)				F
Current-year non-capital loss (amount E **plus** amount F; if positive, enter "0")				G

If amount G is negative, enter it on line 110 as a positive.

Continuity of non-capital losses and request for a carryback

Non-capital loss at the end of the previous tax year		833,827 e		
Deduct: Non-capital loss expired (note 1)	100	f		
Non-capital losses at the beginning of the tax year (amount e **minus** amount f)	102	833,827 ▶	833,827	H
Add:				
Non-capital losses transferred on an amalgamation or on the wind-up of a subsidiary (note 2) corporation	105	g		
Current-year non-capital loss (from amount G)	110	h		
Subtotal (amount g **plus** amount h)		▶		I
Subtotal (amount H **plus** amount I)			833,827	J

Note 1: A non-capital loss expires as follows:

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

An allowable business investment loss becomes a net capital loss after **10** tax years if it arose in a tax year ending after March 22, 2004.

Note 2: Subsidiary is defined in subsection 88(1) as a taxable Canadian corporation of which 90% or more of each class of issued shares are owned by its parent corporation and the remaining shares are owned by persons that deal at arm's length with the parent corporation.

Part 1 – Non-capital losses (continued)

Deduct:

Other adjustments (includes adjustments for an acquisition of control)	150		i		
Section 80 – Adjustments for forgiven amounts	140		j		
Subsection 111(10) – Adjustments for fuel tax rebate			j.1		
Non-capital losses of previous tax years applied in the current tax year Enter amount k on line 331 of the T2 Return.	130	833,827	k		
Current and previous year non-capital losses applied against current-year taxable dividends subject to Part IV tax (note 3)	135		l		
Subtotal (total of amounts i to l)		833,827	▶	833,827	K
Non-capital losses before any request for a carryback (amount J **minus** amount K)					L

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

First previous tax year to reduce taxable income	901		m		
Second previous tax year to reduce taxable income	902		n		
Third previous tax year to reduce taxable income	903		o		
First previous tax year to reduce taxable dividends subject to Part IV tax	911		p		
Second previous tax year to reduce taxable dividends subject to Part IV tax	912		q		
Third previous tax year to reduce taxable dividends subject to Part IV tax	913		r		
Total of requests to carry back non-capital losses to previous tax years (total of amounts m to r)			▶		M
Closing balance of non-capital losses to be carried forward to future tax years (amount L **minus** amount M)	180				N

Note 3: Amount l is the total of lines 330 and 335 from Schedule 3, *Dividends Received, Taxable Dividends Paid, and Part IV Tax Calculation*.

Part 2 – Capital losses

Continuity of capital losses and request for a carryback

Capital losses at the end of the previous tax year	200		a		
Capital losses transferred on an amalgamation or on the wind-up of a subsidiary corporation	205		b		
Subtotal (amount a **plus** amount b)			▶		A
Deduct:					
Other adjustments (includes adjustments for an acquisition of control)	250		c		
Section 80 – Adjustments for forgiven amounts	240		d		
Subtotal (amount c **plus** amount d)			▶		B
Subtotal (amount A **minus** amount B)					C
Add: Current-year capital loss (from the calculation on Schedule 6, *Summary of Dispositions of Capital Property*)			210		D
Unused non-capital losses that expired in the tax year (note 4)			e		
Allowable business investment losses (ABILs) that expired as non-capital losses at the end of the previous tax year (note 5)			f		
Enter amount e or f, whichever is less	215		g		
ABILs expired as non-capital losses: line 215 **multiplied** by 2.000000			220		E
Subtotal (total of amounts C to E)					F

Note

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

Note 4: If the loss was incurred in a tax year ending after March 22, 2004, determine the amount of the loss from the 11th previous tax year and enter the part of that loss that was not used in previous years and the current year on line e.

Note 5: If the ABILs were incurred in a tax year ending after March 22, 2004, enter the amount of the ABILs from the 11th previous tax year. Enter the full amount on line f.

Part 2 – Capital losses (continued)

Deduct: Capital losses from previous tax years applied against the current-year net capital gain (note 6) . . . . **225** ________ G

Capital losses before any request for a carryback (amount F **minus** amount G) ________ H

Deduct – **Request to carry back capital loss to** (note 7):

	Capital gain (100%)		Amount carried back (100%)	
First previous tax year		951		h
Second previous tax year		952		i
Third previous tax year		953		j

Subtotal (total of amounts h to j) ▶ ________ I

Closing balance of capital losses to be carried forward to future tax years (amount H **minus** amount I) **280** ________ J

Note 6: To get the net capital losses required to reduce the taxable capital gain included in the net income (loss) for the current-year tax, enter the amount from line 225 **divided** by 2 at line 332 of the T2 return.

Note 7: On line 225, 951, 952, or 953, whichever applies, enter the actual amount of the loss. When the loss is applied, divide this amount by 2. The result represents the 50% inclusion rate.

Part 3 – Farm losses

Continuity of farm losses and request for a carryback

	Line	Amount		Total	
Farm losses at the end of the previous tax year			a		
Deduct: Farm loss expired (note 8)	300		b		
Farm losses at the beginning of the tax year (amount a **minus** amount b)	302		▶		A
Add:					
Farm losses transferred on an amalgamation or on the wind–up of a subsidiary corporation	305		c		
Current-year farm loss (amount F in Part 1)	310		d		
Subtotal (amount c **plus** amount d)			▶		B
Subtotal (amount A **plus** amount B)					C
Deduct:					
Other adjustments (includes adjustments for an acquisition of control)	350		e		
Section 80 – Adjustments for forgiven amounts	340		f		
Farm losses of previous tax years applied in the current tax year Enter amount g on line 334 of the T2 Return.	330		g		
Current and previous year farm losses applied against current-year taxable dividends subject to Part IV tax (note 9)	335		h		
Subtotal (total of amounts e to h)			▶		D
Farm losses before any request for a carryback (amount C **minus** amount D)					E
Deduct – **Request to carry back farm loss to:**					
First previous tax year to reduce taxable income	921		i		
Second previous tax year to reduce taxable income	922		j		
Third previous tax year to reduce taxable income	923		k		
First previous tax year to reduce taxable dividends subject to Part IV tax	931		l		
Second previous tax year to reduce taxable dividends subject to Part IV tax	932		m		
Third previous tax year to reduce taxable dividends subject to Part IV tax	933		n		
Subtotal (total of amounts i to n)			▶		F
Closing balance of farm losses to be carried forward to future tax years (amount E **minus** amount F)	380				G

Note 8: A farm loss expires as follows:
- after **10** tax years if it arose in a tax year ending before 2006; and
- after **20** tax years if it arose in a tax year ending after 2005.

Note 9: Amount h is the total of lines 340 and 345 from Schedule 3.

Part 4 – Restricted farm losses

Current-year restricted farm loss

Total losses for the year from farming business	485			A
Minus the deductible farm loss:				
(amount A above ______ – $2,500) **divided** by 2 = ______ a				
Amount a or $ 15,000 (note 10), whichever is less			b	
		2,500	c	
Subtotal (amount b **plus** amount c)		2,500		2,500 B
Current-year restricted farm loss (amount A **minus** amount B)				C

Continuity of restricted farm losses and request for a carryback

Restricted farm losses at the end of the previous tax year			d	
Deduct: Restricted farm loss expired (note 11)	400		e	
Restricted farm losses at the beginning of the tax year (amount d **minus** amount e)	402			D
Add:				
Restricted farm losses transferred on an amalgamation or on the wind-up of a subsidiary corporation	405		f	
Current-year restricted farm loss (from amount C)	410		g	
Enter amount g on line 233 of Schedule 1, *Net Income (Loss) for Income Tax Purposes*.				
Subtotal (amount f **plus** amount g)				E
Subtotal (amount D **plus** amount E)				F
Deduct:				
Restricted farm losses from previous tax years applied against current farming income	430		h	
Enter amount h on line 333 of the T2 return.				
Section 80 – Adjustments for forgiven amounts	440		i	
Other adjustments	450		j	
Subtotal (total of amounts h to j)				G
Restricted farm losses before any request for a carryback (amount F **minus** amount G)				H
Deduct – Request to carry back restricted farm loss to:				
First previous tax year to reduce farming income	941		k	
Second previous tax year to reduce farming income	942		l	
Third previous tax year to reduce farming income	943		m	
Subtotal (total of amounts k to m)				I
Closing balance of restricted farm losses to be carried forward to future tax years (amount H **minus** amount I)	480			J

Note

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

Note 10: For tax years that end before March 21, 2013, use $6,250 instead of $15,000.

Note 11: A restricted farm loss expires as follows:
- after **10** tax years if it arose in a tax year ending before 2006; and
- after **20** tax years if it arose in a tax year ending after 2005.

Part 5 – Listed personal property losses

Continuity of listed personal property loss and request for a carryback

Listed personal property losses at the end of the previous tax year			a		
Deduct: Listed personal property loss expired after 7 tax years	500		b		
Listed personal property losses at the beginning of the tax year (amount a **minus** amount b)	502		▶		A
Add: Current-year listed personal property loss (from Schedule 6)			510		B
Subtotal (amount A **plus** amount B)					C
Deduct:					
Listed personal property losses from previous tax years applied against listed personal property gains Enter amount c on line 655 of Schedule 6.	530		c		
Other adjustments	550		d		
Subtotal (amount c **plus** amount d)			▶		D
Listed personal property losses remaining before any request for a carryback (amount C **minus** amount D)					E
Deduct – **Request to carry back listed personal property loss to:**					
First previous tax year to reduce listed personal property gains	961		e		
Second previous tax year to reduce listed personal property gains	962		f		
Third previous tax year to reduce listed personal property gains	963		g		
Subtotal (total of amounts e to g)			▶		F
Closing balance of listed personal property losses to be carried forward to future tax years (amount E **minus** amount F)			580		G

Part 7 – Limited partnership losses

Current-year limited partnership losses

1	2	3	4	5	6	7
Partnership account number	Tax year ending yyyy/mm/dd	Corporation's share of limited partnership loss	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, farming losses, and resource expenses	Column 4 **minus** column 5 (if negative, enter "0")	Current-year limited partnership losses (column 3 **minus** column 6)
600	602	604	606	608		620
1.						

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

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

1	2	3	4	5	6	7
Partnership account number	Tax year ending yyyy/mm/dd	Limited partnership losses at the end of the previous tax year and amounts transferred on an amalgamation or on the wind-up of a subsidiary	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, business or property losses, and resource expenses	Column 4 **minus** column 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
1.						

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

1	2	3	4	5	6
Partnership account number	Limited partnership losses at the end of the previous tax year	Limited partnership losses transferred in the year on an amalgamation or on the wind-up of a subsidiary	Current-year limited partnership losses (from line 620)	Limited partnership losses applied in the current year (must be equal to or less than line 650)	Current year limited partnership losses closing balance to be carried forward to future years (column 2 **plus** column 3 **plus** column 4 **minus** column 5)
660	662	664	670	675	680
1.					

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

Note

If you need more space, you can attach more schedules.

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

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

In the case of the wind-up of a subsidiary, if the election is made, the non-capital loss, restricted farm loss, farm loss, or limited partnership loss of the subsidiary—that otherwise would become the loss of the parent corporation for a particular tax year starting after the wind–up began—will be considered as the loss of the parent corporation for its immediately preceding tax year and not for the particular year.

Note

This election is only applicable for wind-ups under subsection 88(1) that are reported on Schedule 24, *First-Time Filer after Incorporation, Amalgamation, or Winding-up of a Subsidiary into a Parent*.

Non-Capital Loss Continuity Workchart

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

Non-capital losses

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce		Balance at end of year
					Taxable income	Part IV tax	
Current	N/A				N/A		
1st preceding taxation year 2017-12-31	833,827	N/A		N/A	833,827		
2nd preceding taxation year 2016-12-31		N/A		N/A			
3rd preceding taxation year 2015-12-31		N/A		N/A			
4th preceding taxation year 2014-12-31		N/A		N/A			
5th preceding taxation year 2013-12-31		N/A		N/A			
6th preceding taxation year 2012-12-31		N/A		N/A			
7th preceding taxation year 2011-12-31		N/A		N/A			
8th preceding taxation year 2010-12-31		N/A		N/A			
9th preceding taxation year 2009-12-31		N/A		N/A			
10th preceding taxation year 2008-12-31		N/A		N/A			
11th preceding taxation year 2007-12-31		N/A		N/A			
12th preceding taxation year 2006-12-31		N/A		N/A			
13th preceding taxation year 2005-12-31		N/A		N/A			
14th preceding taxation year 2004-12-31		N/A		N/A			
15th preceding taxation year 2003-12-31		N/A		N/A			
16th preceding taxation year 2002-12-31		N/A		N/A			
17th preceding taxation year 2001-12-31		N/A		N/A			
18th preceding taxation year		N/A		N/A			
19th preceding taxation year		N/A		N/A			
20th preceding taxation year		N/A		N/A			*
Total	833,827				833,827		

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

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Schedule 5

Tax Calculation Supplementary – Corporations

Corporation's name	Business Number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2018-12-31

- Use this schedule if, during the tax year, your corporation:
  - had a permanent establishment in more than one jurisdiction (corporations that have no taxable income should only complete columns A, B and D in Part 1);
  - is claiming provincial or territorial tax credits or rebates (see Part 2); or
  - has to pay taxes, other than income tax, for Newfoundland and Labrador, or Ontario (see Part 2).
- All legislative references are to the Income Tax Regulations.
- For more information, see the T2 Corporation – Income Tax Guide.
- For the regulation number to be entered in field 100 of Part 1, see the chart below.

Part 1 – Allocation of taxable income

100 ______ Enter the Regulation that applies (402 to 413)

A Jurisdiction. Tick yes if the corporation had a permanent establishment in the jurisdiction during the tax year *		B Total salaries and wages paid in jurisdiction	C (B x taxable income) / G	D Gross revenue	E (D x taxable income) / H	F Allocation of taxable income (C + E) x 1/2** (where either G or H is nil, do not multiply by 1/2)
Newfoundland and Labrador	003 Yes ☐	103		143		
Newfoundland and Labrador Offshore	004 Yes ☐	104		144		
Prince Edward Island	005 Yes ☐	105		145		
Nova Scotia	007 Yes ☐	107		147		
Nova Scotia Offshore	008 Yes ☐	108		148		
New Brunswick	009 Yes ☐	109		149		
Quebec	011 Yes ☐	111		151		
Ontario	013 Yes ☐	113		153		
Manitoba	015 Yes ☐	115		155		
Saskatchewan	017 Yes ☐	117		157		
Alberta	019 Yes ☐	119		159		
British Columbia	021 Yes ☐	121		161		
Yukon	023 Yes ☐	123		163		
Northwest Territories	025 Yes ☐	125		165		
Nunavut	026 Yes ☐	126		166		
Outside Canada	027 Yes ☐	127		167		
Total		129 G		169 H		

* "Permanent establishment" is defined in subsection 400(2)

** For corporations other than those described under section 402, use the appropriate calculation described in the Regulations to allocate taxable income.

Notes:

1. After determining the allocation of taxable income, you have to calculate the corporation's provincial or territorial tax payable. For more information on how to calculate the tax for each province or territory, see the instructions for Schedule 5 in the T2 Corporation – Income Tax Guide.
2. If the corporation has provincial or territorial tax payable, complete Part 2.
3. If the corporation is a member of a partnership and the partnership had a permanent establishment in a jurisdiction, select the jurisdiction in Column A and include your proportionate share of the partnership's salaries and wages and gross revenue in columns B and D, respectively.

Part 2 – Ontario tax payable, tax credits, and rebates

Total taxable income	Income eligible for small business deduction	Provincial or territorial allocation of taxable income	Provincial or territorial tax payable before credits
29,747		29,747	3,421

	Line	Amount		Amount	Ref
Ontario basic income tax (from Schedule 500)	270	3,421			
Ontario small business deduction (from Schedule 500)	402				
Subtotal (line 270 **minus** line 402)		3,421	►	3,421	5A
Ontario transitional tax debits (from Schedule 506)	276				
Recapture of Ontario research and development tax credit (from Schedule 508)	277				
Subtotal (line 276 **plus** line 277)			►		5B
Gross Ontario tax (amount 5A **plus** amount 5B)				3,421	5C
Ontario resource tax credit (from Schedule 504)	404				
Ontario tax credit for manufacturing and processing (from Schedule 502)	406				
Ontario foreign tax credit (from Schedule 21)	408				
Ontario credit union tax reduction (from Schedule 500)	410				
Ontario political contributions tax credit (from Schedule 525)	415				
Ontario non-refundable tax credits (total of lines 404 to 415)			►		5D
Subtotal (amount 5C **minus** amount 5D) (if negative, enter "0")				3,421	5E
Ontario research and development tax credit (from Schedule 508)			416	3,421	
Ontario corporate income tax payable before Ontario corporate minimum tax credit and Ontario community food program donation tax credit for farmers (amount 5E **minus** line 416) (if negative, enter "0")					5F
Ontario corporate minimum tax credit (from Schedule 510)			418		
Ontario community food program donation tax credit for farmers (from Schedule 2)			420		
Ontario corporate income tax payable (amount 5F **minus** the total of lines 418 and 420) (if negative enter "0")					5G
Ontario corporate minimum tax (from Schedule 510)	278	71,442			
Ontario special additional tax on life insurance corporations (from Schedule 512)	280				
Subtotal (line 278 **plus** line 280)		71,442	►	71,442	5H
Total Ontario tax payable before refundable tax credits (amount 5G **plus** amount 5H)				71,442	5I
Ontario qualifying environmental trust tax credit	450				
Ontario co-operative education tax credit (from Schedule 550)	452	24,576			
Ontario apprenticeship training tax credit (from Schedule 552)	454				
Ontario computer animation and special effects tax credit (from Schedule 554)	456				
Ontario film and television tax credit (from Schedule 556)	458				
Ontario production services tax credit (from Schedule 558)	460				
Ontario interactive digital media tax credit (from Schedule 560)	462				
Ontario sound recording tax credit (from Schedule 562)	464				
Ontario book publishing tax credit (from Schedule 564)	466				
Ontario innovation tax credit (from Schedule 566)	468				
Ontario business-research institute tax credit (from Schedule 568)	470				
Ontario refundable tax credits (total of lines 450 to 470)		24,576	►	24,576	5J
Net Ontario tax payable or refundable tax credit (amount 5I **minus** amount 5J) (if a credit, enter amount in brackets) Include this amount on line 255.			290	46,866	

Summary

Enter the total net tax payable or refundable tax credits for all provinces and territories on line 255.

Net provincial and territorial tax payable or refundable tax credits	255	46,866

If the amount on line 255 is positive, enter the net provincial and territorial tax payable on line 760 of the T2 return.
If the amount on line 255 is negative, enter the net provincial and territorial refundable tax credits on line 812 of the T2 return.

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Schedule 7

Aggregate Investment Income and Income Eligible for the Small Business Deduction

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2018-12-31

- Use this schedule if you are a Canadian-controlled private corporation (CCPC) to calculate:
  - your aggregate investment income and foreign investment income, as defined in subsection 129(4), to determine the refundable portion of Part I tax, and your adjusted aggregate investment income, as defined in subsection 125(7), for the purpose of the business limit reduction
  - your **specified partnership income**, as defined in subsection 125(7), if you are a member (or **designated member**) of one or more partnerships, and
  - your income from an active business carried on in Canada eligible for the small business deduction including any **specified corporate income** as defined in subsection 125(7)
- Use this schedule if another CCPC is making an assignment of **business limit** under subsection 125(3.2) to you.
- Use this schedule if you are a corporation that is a member of a partnership to assign **specified partnership business limit** to a **designated member** under subsection 125(8).
  Note: If you are a corporation that is not a CCPC, **only** complete Table 1 (columns A1, B1, C1, G1, H1 and J1) and Table 3 to make this assignment.
- The adjusted aggregate investment income, for the purpose of the business limit reduction, also applies to a tax year of a corporation that begins before 2019 and ends after 2018 under the following circumstances:
  - the corporation's preceding tax year was, because of a transaction or event or a series of transactions or events, shorter than it would have been in the absence of that transaction, event or series, and
  - one of the reasons for the transaction, event or series was to defer the application of subsections 125(5.1), (5.2) and (7) to the corporation
- All legislative references are to the Income Tax Act.
- For more information, see **Small Business Deduction** and **Refundable Portion of Part I Tax** in Guide T4012, T2 Corporation – Income Tax Guide.
- See the notes at the end of the form.

Part 1 – Aggregate investment income

Aggregate investment income is all **world** source income.

Description	Line	Amount	Line	Amount	
Eligible portion of taxable capital gains for the year			002		
Eligible portion of allowable capital losses for the year (including allowable business investment losses)	012				
Net capital losses of previous years claimed on line 332 on the T2 return	022				
Subtotal (line 012 **plus** line 022)					A
Line 002 **minus** amount A (if negative, enter "0")					B
Total income from property (include income from a specified investment business carried on in Canada other than income from a source outside Canada)	032	16,000			
Exempt income	042				
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for the year	052				
Taxable dividends deductible (total of column F on Schedule 3 **minus** related expenses)	062				
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)	072				
Subtotal (**add** lines 042, 052, 062 and 072)					C
Subtotal (line 032 **minus** amount C)		16,000		16,000	D
Amount B **plus** amount D				16,000	E
Total losses from property (include losses from a specified investment business carried on in Canada other than a loss from a source outside Canada)			082	1,293,000	
Amount E **minus** line 082 (if negative, enter "0") (enter on line 440 of the T2 return)			092		

Part 2 – Adjusted aggregate investment income

Eligible portion of taxable capital gains for the year (other than taxable capital gains from the disposition of an active asset note 13)	705			
Eligible portion of allowable capital losses for the year (including allowable business investment losses) (other than allowable capital losses from the disposition of an active asset note 13)	710			
Subtotal (line 705 **minus** line 710) (if negative, enter "0")				F
Total income from property note 14	715		16,000	
Exempt income	720			
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for the year	725			
Dividends from connected corporations	730			
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)	735			
Subtotal (**add** lines 720, 725, 730 and 735)				G
Subtotal (line 715 **minus** amount G)			16,000	16,000 H
Amount F **plus** amount H				16,000 I
Total losses from property note 14	740			1,293,000
Amount, if any, deducted under subsection 91(4) in computing the corporation's income for the year	741			
Adjusted aggregate investment income (amount I **minus** line 740, **plus** line 741) (if negative, enter "0")	745			

If this is your first tax year starting after 2018, complete the following portion.

Eligible portion of taxable capital gains for each tax year that ended in the preceding calendar year (other than taxable capital gains from the disposition of an active asset note 13)				2A
Eligible portion of allowable capital losses for each tax year that ended in the preceding calendar year (including allowable business investment losses)(other than allowable capital losses from the disposition of an active asset note 13)				2B
Subtotal (amount 2A **minus** amount 2B) (if negative, enter "0")				2C
Total income from property for each tax year that ended in the preceding calendar year note 14			2D	
Exempt income for each tax year that ended in the preceding calendar year		2E		
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for each tax year that ended in the preceding calendar year		2F		
Dividends from connected corporations for each tax year that ended in the preceding calendar year		2G		
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a) for each tax year that ended in the preceding calendar year		2H		
Subtotal (**add** amounts 2E, 2F, 2G and 2H)			2I	
Subtotal (amount 2D **minus** amount 2I)				2J
Amount 2C **plus** amount 2J				2K
Total losses from property for each tax year that ended in the preceding calendar year note 14				2L
Amount, if any, deducted under subsection 91(4) in computing the corporation's income for each tax year that ended in the preceding calendar year	742			
Adjusted aggregate investment income (amount 2K **minus** amount 2L, **plus** line 742) (if negative, enter "0")	744			

(enter the total of line 744 and the adjusted aggregate investment income of all associated corporations on line 417 of the T2 return)

Part 3 – Foreign investment income

Foreign investment income is all income from sources **outside Canada**.

Eligible portion of taxable capital gains for the year			001		
Eligible portion of allowable capital losses for the year (including allowable business investment losses)			009		
Subtotal (line 001 **minus** line 009) (if negative, enter "0")					J
Total income from property from a source **outside Canada** (net of related expenses)		019			
Exempt income	029				
Taxable dividends deductible (total of column F on Schedule 3 **minus** related expenses)	049				
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)	059				
Subtotal (**add** lines 029, 049, and 059)		►			K
Subtotal (line 019 **minus** amount K)			►		L
Amount J **plus** amount L					M
Total losses from property from a source **outside Canada**			069		
Amount M **minus** line 069 (if negative, enter "0") (enter on line 445 of the T2 return)			079		

Part 3A – Canadian and foreign investment income and adjusted aggregate investment income calculation

	A Canadian investment income	B Foreign investment income	C Adjusted aggregate investment income*	
Eligible portion of the taxable capital gains for the year before taking into account the capital gains reserves (federal) of Schedule 13*				1.1
Eligible portion of capital gains reserves (addition/deduction)*, **				1.2
Taxable capital gains under section 34.2 (line 275 on Schedule 73)**				1.3
Eligible portion of the taxable capital gains for the year (**add** amounts 1.1, 1.2, and 1.3)				1
Eligible portion of allowable capital losses for the year (including allowable business investment losses)*				2.1
Net capital losses of previous years (line 332 on the T2 return)				2.2
Allowable capital losses under section 34.2 (line 285 of Schedule 73)**				2.3
Allowable capital losses for the year (**add** amounts 2.1, 2.2 and 2.3)				2
Amount 1 **minus** amount 2 (if negative, enter "0")				3
Taxable dividends				4.1
Rental property income (under regulation 1100(11))				4.2
Other property income*	16,000		16,000	4.3
Property income under section 34.2 (line 280 of Schedule 73)**				4.4
Total property income (**add** amounts 4.1, 4.2, 4.3 and 4.4)	16,000		16,000	4
Exempt income				5.1
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for the year				5.2
Taxable dividends deductible (total of column F on Schedule 3 **minus** related expenses)*				5.3
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)				5.4
Add amounts 5.1, 5.2, 5.3 and 5.4				5
Amount 4 **minus** amount 5	16,000		16,000	6
Amount 3 **plus** amount 6	16,000		16,000	7
Rental property losses (under regulation 1100(11))				8.1
Dividend losses				8.2
Other property losses*	1,293,000		1,293,000	8.3
Property losses under section 34.2 (line 280 of Schedule 73)**				8.4
Total property losses (**add** amounts 8.1, 8.2, 8.3 and 8.4)	1,293,000		1,293,000	8
Amount 7 **minus** amount 8 (if negative, enter "0")				9
Amount, if any, deducted under subsection 91(4) in computing the corporation's income for the year				10
Amount 7 **minus** amount 8 **plus** amount 10 (if negative, enter "0")				11

* To calculate the adjusted aggregate investment income under column C:

- On lines 1.1, 1.2 and 2.1, only capital gains and losses resulting from the disposition of property other than an active asset (as defined under subsection 125(7) ITA) are to be taken into account.
- On line 4.3, include amounts in respect of a life insurance policy that are included in computing the corporation's income for the year (even if those amounts are not included in the calculation of the corporation's investment income in column A and B) as well as the income from a specified foreign investment business.
- On line 5.3, only the dividends received from a connected corporation should be included.
- On line 8.3, include the loss from a specified foreign investment business.

For more information on the calculation of the adjusted aggregate investment income, consult notes 13 and 14 at the end of this form as well as the Help (F1).

** When an amount is entered on these lines in column B, it reduces the corresponding amount in column A. For more information, consult the Help (F1).

Net taxable dividends		Canadian	Foreign	Total
Taxable dividends deducted per Schedule 3				
Less: Expenses related to such dividends	**A***			
Total expenses				
Net taxable dividends				

* Column A – Enter an “X” if the expense is related to a dividend received from a connected corporation.

Part 4 – Specified partnership income

Table 1 – Specified partnership income

A	A1	1A
Is the corporation a designated member of the partnership?	Partnership name 200	Partnership's account number
Yes No		

B1	C1	D1	1D	2D	E1	F1
Total income (loss) of partnership from an active business 300	Corporation's share of amount in column B1 310	Income of the corporation from providing (directly or indirectly) services or property to the partnership 311	Prorated amounts calculated under section 34.2 note 1	Expenses the corporation incurred to earn partnership income	Adjustments (column 1D **minus** column 2D) 315	Corporation's income (loss) in respect of the partnership note 2 (**add** columns C1, D1 and E1) 320

Total 350

G1	H1	I1	J1	K1	L1	M1
Number of days in the partnership's fiscal period 325	Prorated business limit notes 2 and 3 (column C1 ÷ column B1) × [$ 500 000 × (column G1 ÷ 365)] (if column C1 is negative, enter "0") 330	Specified partnership business limit **assigned to you** (from H2 in Table 2) note 5 335	Specified partnership business limit **assigned by you** from F3 in Table 3) note 6 336	Specified partnership business limit amount (column H1 **plus** column I1 **minus** column J1)	Column F1 **minus** column K1 (if negative, enter "0")	Lesser of columns F1 and K1 (if column F1 is negative, enter "0") note 4 340

Total 385 360

Corporation's losses for the year from an active business carried on in Canada (other than as a member of a partnership) – enter as a positive amount 370

Specified partnership loss of the corporation for the year – enter as a positive amount (total of all negative amounts in column F1) 380

Subtotal (line 370 **plus** line 380) N

Amount at line 385 or amount N, whichever is less 390

Specified partnership income (line 360 **plus** line 390) 400
(enter at amount R in Part 5)

Part 4 – Specified partnership income (continued)

Tables 2 and 3 are used to make an assignment of **specified partnership business limit** under subsection 125(8). A person that is a member of a partnership can make an assignment of **specified partnership business limit** under subsection 125(8) to a **designated member**.

If you are a CCPC that is a designated member and **receiving** specified partnership business limit from a person that is a member of the partnership, complete Table 2.

If you are a corporation that is a member of the partnership and **assigning** specified partnership business limit to a designated member, complete Table 3.

Table 2 – A member is assigning to you specified partnership business limit under subsection 125(8)

A2	2A	B2
Partnership name 405	Partnership's account number	Name of the member 406

C2	D2	E2	F2	G2	H2
Business number of the member (if applicable) 410	Social insurance number of the member (if applicable) 411	Trust account number of the member (if applicable) 412	Tax year start of the member (yyyymmdd) 415	Tax year-end of the member (yyyymmdd) 416	Specified partnership business limit assigned to you by the member note 7 420

Table 3 – You are assigning to a designated member (CCPC) specified partnership business limit under subsection 125(8)

A3	3A	B3
Partnership name 425	Partnership's account number	Name of the designated member 426

C3	D3	E3	F3
Business number of the designated member 430	Tax year start of the designated member (yyyymmdd) 435	Tax year-end of the designated member (yyyymmdd) 436	Specified partnership business limit assigned by you to the designated member note 8 440

Part 5 – Partnership income not eligible for the small business deduction

Corporation's income from active businesses carried on in Canada as a member or designated member of a partnership (after deducting related expenses) – from line 350 in Part 4 (if the net amount is negative, enter "0" on line 450)		O
Specified partnership loss (from line 380 in Part 4)		P
Subtotal (amount O **plus** amount P)		Q
Specified partnership income (from line 400 in Part 4)		R
Partnership income not eligible for the small business deduction (amount Q **minus** amount R) (enter at amount Z in Part 6)	450	

Part 6 – Income eligible for the small business deduction

Net income for income tax purposes from line 300 of the T2 return		874,644 S		
Allowable business investment loss from line 406 of Schedule 1		T		
Subtotal (amount S **plus** amount T)		874,644 ▶	874,644	U
Foreign business income after deducting related expenses note 9	500			
Taxable capital gains from line 113 of Schedule 1		V		
Net property income (line 032 note 10 **minus** the total of lines 042, 052 and 082 note 9 in Part 1)		-1,277,000 W		
Personal services business income after deducting related expenses note 9	e1			
Other income after deducting related expenses note 9	e2			
Subtotal (amount e1 **plus** amount e2) note 9 ▶	520			
Subtotal (**add** line 500, amount V, amount W and line 520)		-1,277,000 ▶	-1,277,000	X
Net amount (amount U **minus** amount X)			2,151,644	Y
Partnership income not eligible for the small business deduction (line 450 in Part 5)		Z		
Partnership income allocated to your corporation under subsection 96(1.1)	530			
Income referred to in clause 125(1)(a)(i)(C)	540			
Income referred to in clause 125(1)(a)(i)(B) (from line 615 in Part 7)		AA		
Subtotal (**add** amount Z, line 530, line 540 and amount AA)		▶		BB
Specified corporate income (from line 625 in Part 7)				CC
Income eligible for the small business deduction (amount Y **minus** amount BB, **plus** amount CC) (enter amount DD on line 400 of the T2 return - if negative, enter "0")			2,151,644	DD

Part 7 – Specified corporate income and assignment under subsection 125(3.2)

	1EE Name of the corporation	EE Business number of the corporation 600	FF Income described under clause 125(1)(a)(i)(B) received from the corporation identified in column EE note 11 610	GG Business limit assigned **from** the corporation identified in column EE note 12 620
1				
			Total 615	Total 625

See the privacy statement on your return.

Notes

Note 1 Do **not** include expenses that were deducted in computing the income of the corporation in column D1.

In general, amounts included under subsections 34.2(2) and 34.2(3) or claimed under subsection 34.2(4) are deemed to have the **same character** and be in the **same proportions** as the partnership income they relate to. For example, if a corporation receives $100,000 of partnership income for the partnership's fiscal period ending in its tax year, and that income is made up of $40,000 of active business income, $30,000 of income from property, and $30,000 as a taxable capital gain, the corporation's adjusted stub period accrual (ASPA) in respect of the partnership would be 40% active business income, 30% property income, and 30% taxable capital gains. Add or deduct only the portion of the following amounts that are characterized as **active business income** in accordance with subsection 34.2(5):

Add:

- the ASPA under subsection 34.2(2) (column 4 of Schedule 73)
- the income inclusion for a new corporate member of a partnership under subsection 34.2(3) (column 6 of Schedule 73)
- the previous-year transitional reserve under subsection 34.2(12) (column 12 of Schedule 73)

Deduct:

- the previous-year ASPA under subsection 34.2(4) (column 5 of Schedule 73)
- the previous-year income inclusion for a new corporate member of a partnership under subsection 34.2(4) (column 7 of Schedule 73)

Note 2 When a partnership carries on more than one business, one of which generates income and another of which realizes a loss, the loss is **not** netted against the partnership's income when calculating the prorated business limit (column H1). Enter on line 380 the total of all losses from column F1.

Note 3 **If** you are a **designated member** of the partnership, enter "0".

Note 4 You must enter "0" **if** the partnership provides services or property to either:

(A) a private corporation (directly or indirectly in any manner whatever) in the year, if:
- you (or one of your shareholders) or a person that does **not** deal at arm's length with you (or one of your shareholders) holds a direct or indirect interest in the private corporation, and
- it is not the case that all or substantially all of the partnership's income for the year from an active business is from providing services or property to
  - persons (other than the private corporation) that deal at arm's length with the partnership and each person that holds a direct or indirect interest in the partnership, or
  - partnerships with which the partnership deals at arm's length, other than a partnership in which a person that does **not** deal at arm's length with you holds a direct or indirect interest, or

(B) a particular partnership (directly or indirectly in any manner whatever) in the year, if:
- you (or one of your shareholders) do **not** deal at arm's length with the particular partnership or a person that holds a direct or indirect interest in the particular partnership, and
- it is not the case that all or substantially all of the partnership's income for the year from an active business is from providing services or property to
  - persons that deal at arm's length with the partnership and each person that holds a direct or indirect interest in the partnership, or
  - partnerships (other than the particular partnership) with which the partnership deals at arm's length, other than a partnership in which a person that does **not** deal at arm's length with you holds a direct or indirect interest.

Note 5 If you are a CCPC that is a **designated member** receiving an assignment of **specified partnership business limit,** complete Table 2 to determine the amounts to enter in Table 1 column I1.

Note 6 If you are a corporation that is a **member** of the partnership and you are assigning **specified partnership business limit**, complete Table 3 to determine the amounts to enter in Table 1 column J1.

Note 7 Add the amounts in column H2 that are for the same partnership and enter it in Table 1 column I1, in the row of the applicable partnership.

Note 8 Add the amounts in column F3 that are for the same partnership and enter it in Table 1 column J1, in the row of the applicable partnership. This amount **cannot** be higher than the amount of prorated business limit you would otherwise be entitled to in Table 1 column H1 for that partnership.

Note 9 If negative, enter amount in brackets, and **add** instead of subtracting.

Note 10 Net of related expenses.

Note 11 This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts, each of which is your income from an active business for the year from providing services or property to a private corporation (directly or indirectly, in any manner whatever) if

(A) at any time in the year, you (or one of your shareholders) or a person that does **not** deal at arm's length with you (or one of your shareholders) holds a direct or indirect interest in the private corporation, and

(B) it is not the case that all or substantially all of your income for the year from an active business is from providing services or property to

(I) persons (other than the private corporation) with which you deal at arm's length, or

(II) partnerships with which you deal at arm's length, other than a partnership in which a person that does **not** deal at arm's length with you holds a direct or indirect interest.

Do **not** include specified farming or fishing income. If the conditions described in subsection 125(10) are met, do not include income from an associated corporation.

Note 12 The amount of business limit that a CCPC can assign to you cannot be greater than the amount in column FF that is from providing services or property **directly** to that CCPC. If there is an amount included in column FF that is deductible by that CCPC in respect of the amount of its income referred to in clause 125(1)(a)(i)(A) or (B) for its tax year, you need to deduct it from column FF for the purpose of determining the amount that can be assigned to you.

Notes (continued)

Note 13 Active asset, of a particular corporation at any time, means property that is:

(A) used at that time principally in an active business carried on primarily in Canada by the particular corporation or by a Canadian-controlled private corporation that is related to the particular corporation,

(B) a share of the capital stock of another corporation if, at that time,

- the other corporation is connected with the particular corporation (within the meaning assigned by subsection 186(4) on the assumption that the other corporation is at that time a payer corporation within the meaning of that subsection), and
- the share would be a qualified small business corporation share (as defined in subsection 110.6(1)) if:
  – the references in that definition to an "individual" were references to the particular corporation, and
  – that definition were read without reference to "the individual's spouse or common-law partner", or

(C) an interest in a partnership, if:

- at that time, the fair market value of the particular corporation's interest in the partnership is equal to or greater than 10% of the total fair market value of all interests in the partnership,
- throughout the 24-month period ending before that time, more than 50% of the fair market value of the property of the partnership was attributable to property described in this paragraph or in paragraph (A) or (B), and
- at that time, all or substantially all of the fair market value of the property of the partnership was attributable to property described in this paragraph or in paragraph (A) or (B).

Note 14 Income or loss from property of a particular corporation, for the purposes of calculating the corporation's adjusted aggregate investment income, includes income or loss from a specified investment business, as well as all amounts in respect of a life insurance policy that are included in computing the corporation's income for the year (even if those amounts were not included in the computation of the corporation's aggregate investment income in Part 1).

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Schedule 8

Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2018-12-31

For more information, see the section called "Capital Cost Allowance" in the T2 Corporation Income Tax Guide.

Is the corporation electing under Regulation 1101(5q)? **101** Yes [ ] No [X]

	1 Class number * See note 1 (200)	Description	2 Undepreciated capital cost (UCC) at the beginning of the year (201)	3 Cost of acquisitions during the year (new property must be available for use) See note 2 (203)	4 Cost of acquisitions from column 3 that are accelerated investment incentive properties (AIIP) See note 3 (225)	5 Adjustments and transfers See note 4 (205)	6 Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition See note 5 (221)	7 Amount from column 5 that is repaid during the year for a property, subsequent to its disposition See note 6 (222)	8 Proceeds of dispositions See note 7 (207)	For tax years ending before November 21, 2018: 50% rule (1/2 of net acquisitions) (211)
1.	1	Buildings	22,105,366						0	
2.	8	Equipment and tools	1,756,715	169,606	164,511				0	
3.	10	Rolling stock and vehicles	132,046	557,000	54,498				0	
4.	45	Computer equipment and software	155						0	
5.	47	Electrical energy distribution	24,705,847	2,849,732	1,013,623				4,400	
6.	50	Computer equipment	313,870	213,043	67,298				0	
7.	47	WIP	1,072,873			-1,072,873			0	
8.	8	WIP	64,219			-64,219			0	
9.	14.1		203,139						0	
10.	1b	Building		196,000	2,070				0	
11.	95	WIP		129,908		1,137,092			0	
		Totals	50,354,230	4,115,289	1,302,000				4,400	

	1 Class number * See note 1 (200)	Des-crip-tion	9 UCC (column 2 **plus** column 3 **plus** or **minus** column 5 **minus** column 8) See note 8	10 Proceeds of disposition available to reduce the UCC of AIIP (column 8 **plus** column 6 **minus** column 3 **plus** column 4 **minus** column 7) (if negative, enter "0")	11 Net capital cost additions of AIIP acquired during the year (column 4 **minus** column 10) (if negative, enter "0")	12 UCC adjustment for AIIP acquired during the year (column 11 **multiplied** by the relevant factor) See note 9	13 UCC adjustment for non-AIIP acquired during the year (0.5 **multiplied** by the result of column 3 **minus** column 4 **minus** column 6 **plus** column 7 **minus** column 8) (if negative, enter "0") See note 10 (224)	14 CCA rate % See note 11 (212)	15 Recapture of CCA See note 12 (213)	16 Terminal loss See note 13 (215)	17 CCA (for declining balance method, the result of column 9 **plus** column 12 **minus** column 13, **multiplied** by column 14 or a lower amount) See note 14 (217)	18 UCC at the end of the year (column 9 **minus** column 17) (220)
1.	1	Buildin	22,105,366					4	0	0	884,215	21,221,151
2.	8	Equipn	1,926,321		164,511	82,256	2,548	20	0	0	401,206	1,525,115
3.	10	Rolling	689,046		54,498	27,249	251,251	30	0	0	139,513	549,533
4.	45	Compu	155					45	0	0	70	85
5.	47	Electric	27,551,179		1,013,623	506,812	915,855	8	0	0	2,171,371	25,379,808
6.	50	Compu	526,913		67,298	33,649	72,873	55	0	0	268,229	258,684
7.	47	WIP						8	0	0		
8.	8	WIP						20	0	0		
9.	14.1		203,139					5	0	0	14,220	188,919
10.	1b	Buildin	196,000		2,070	1,035	96,965	6	0	0	6,004	189,996
11.	95	WIP	1,267,000				64,954	0	0	0		1,267,000
		Totals	54,465,119		1,302,000	651,001	1,404,446				3,884,828	50,580,291

Enter the total of column 15 on line 107 of Schedule 1.
Enter the total of column 16 on line 404 of Schedule 1.
Enter the total of column 17 on line 403 of Schedule 1.

Note 1. If a class number has not been provided in Schedule II of the Income Tax Regulations for a particular class of property, use the subsection provided in Regulation 1101. Class numbers followed by a letter indicate the basic rate of the class taking into account the additional deduction allowed. Class 1a: 4% + 6% = 10% (class 1 to 10%), class 1b: 4% + 2% = 6% (class 1 to 6%).

Note 2. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions of property in the class that are not subject to the 50% rule. See Income Tax Folio S3-F4-C1, General Discussion of Capital Cost Allowance, for exceptions to the 50% rule.

Note 3. An accelerated investment incentive property (AIIP) is a property (other than property included in Class 54 or 55) that you acquired after November 20, 2018 and became available for use before 2028. See the T2 Corporation Income Tax Guide for more information. Classes 54 and 55 include property that is a zero-emission vehicle you acquired after March 18, 2019 and became available for use before 2028.

Note 4. Enter in column 5, "Adjustments and transfers", amounts that increase or reduce the undepreciated capital cost (column 9). Items that increase the undepreciated capital cost include amounts transferred under section 85, or transferred on amalgamation or winding-up of a subsidiary. Items that reduce the undepreciated capital cost (show amounts that reduce the undepreciated capital cost in brackets) include government assistance received or entitled to be received in the year, or a reduction of capital cost after the application of section 80. See the T2 Corporation Income Tax Guide for other examples of adjustments and transfers to include in column 5.

Note 5. Include all amounts of assistance you received (or were entitled to receive) after the disposition of a depreciable property that would have decreased the capital cost of the property by virtue of paragraph 13(7.1)(f) if received before the disposition.

Note 6. Include all amounts you have repaid during the year with respect to any legally required repayment, made after the disposition of a corresponding property, of:

- assistance that would have otherwise increased the capital cost of the property under paragraph 13(7.1)(d); and
- an inducement, assistance or any other amount contemplated in paragraph 12(1)(x) received, that otherwise would have increased the capital cost of the property under paragraph 13(7.4)(b).

Also include the UCC of each property of a prescribed class acquired in the course of a corporate reorganization described under paragraph 55(3)(b) of the Act (also known as "butterfly reorganization") or in a non-arm's length transaction (other than by virtue of a right referred to in paragraph 251(5)(b) of the Act) if the property was a depreciable property acquired by the transferor less than 364 days before the end of your tax year.

Note 7. For each property disposed of during the year, deduct from the proceeds of disposition any outlays and expenses to the extent that they were made or incurred for the purpose of making the disposition(s). The amount reported in respect of the property cannot exceed the property's capital cost, unless that property is a timber resource property as defined in subsection 13(21).

Note 8. If the amount in column 5 reduces the undepreciated capital cost (i.e. it is shown in brackets), you must subtract it for the purposes of the calculation. Otherwise, add the amount in column 5 for the purposes of the calculation.

Note 9. The relevant factors for AIIP of a class in Schedule II and for property included in classes 54 and 55, available for use before 2024, are:

- 2 1/3 for property in Classes 43.1 and 54;
- 1 1/2 for property in Class 55;
- 1 for property in Classes 43.2 and 53;
- 0 for property in Classes 12, 13, 14, and 15, as well as properties that are Canadian vessels included in paragraph 1100(1)(v) of the Regulations (see note 14 for additional information); and
- 0.5 for all other property that is AIIP.

Note 10. The UCC adjustment for non-AIIP acquired during the year (formerly known as the half-year rule or 50% rule) does not apply to certain property (including AIIP). For special rules and exceptions, see Income Tax Folio S3-F4-C1, General Discussion of Capital Cost Allowance.

Note 11. Enter a rate only if you are using the declining balance method. For any other method (for example the straight-line method, where calculations are always based on the cost of acquisitions), enter N/A. Then enter the amount you are claiming in column 17.

Note 12. If the amount in column 9 is negative, you have a recapture of CCA. If applicable, enter the negative amount from column 9 in column 15 as a positive. The recapture rules do not apply to passenger vehicles in Class 10.1.

Note 13. If no property is left in the class at the end of the tax year and there is still a positive amount in the column 9, you have a terminal loss. If applicable, enter the positive amount from column 9 in column 16. The terminal loss rules do not apply to:

- passenger vehicles in Class 10.1;
- property in Class 14.1, unless you have ceased carrying on the business to which it relates; or
- limited-period franchises, concessions, or licences in Class 14 if, at the time of acquisition, the property was a former property of the transferor or any similar property attributable to the same fixed place of business, and you had jointly elected with the transferor to have the replacement property rules apply.

Note 14. If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See the T2 Corporation Income Tax Guide for more information. For property in class 10.1 disposed of during the year, deduct a maximum of 50% of the regular CCA deduction if you owned the property at the beginning of the tax year. For AIIP listed below, the maximum first year allowance you can claim is determined as follows:

- Class 13: the lesser of 150% of the amount calculated in Schedule III of the Regulations and the UCC at the end of the tax year (before any CCA deduction).
- Class 14: the lesser of 150% of the allocation for the year of the capital cost of the property apportioned over the remaining life of the property (at the time the cost was incurred) and the UCC a the end of the tax year (before any CCA deduction).
- Class 15: the lesser of 150% of an amount computed on the basis of a rate per cord, board foot or cubic metre cut in the tax year and the UCC at the end of the tax year (before any CCA deduction).
- Canadian vessels described under paragraph 1100(1)(v) of the Regulations: the lesser of 50% of the capital cost of the property and the UCC at the end of the tax year (before any CCA deduction).
- Class 41.2: use a 25% CCA rate. The additional allowance under paragraph 1100(1)(y.2)(for single mine properties) and 1100(1)(ya.2 (for multiple mine properties) of the Regulations is not eligible for the accelerated investment incentive. The additional allowance in respect of natural gas liquefaction under paragraph 1100(1)(yb) of the Regulations is eligible for the accelerated investment incentive.
- Property (other than a timber resource property) that is a timber limit or a right to cut timber from a limit: 150% of the amount determined by first subtracting the total of the residual value of the timber limit and all amounts you expended for the 1949 or later tax years for surveys, cruises or preparation of prints, maps or plans for the purpose of obtaining a licence or right to cut timber from the capital cost of the limit or right, and then dividing the result by the quantity of timber in the limit or the quantity of timber you have the right to cut.
- Industrial mineral mine or a right to remove industrial minerals from an industrial mineral mine: 150% of the amount determined by first subtracting the residual value, if any, of the mine or right from the capital cost of the mine or right, and then dividing the result by the number of units of commercially mineable material estimated to be in the mine when the mine or right was acquired (alternatively, if you have acquired a right to remove only a specified number of units, that number of units that you acquired a right to remove).

Fixed Assets Reconciliation

Reconciliation of change in fixed assets per financial statements to amounts used per tax return.

Tax return

Additions for tax purposes – Schedule 8 regular classes		4,115,289		
Additions for tax purposes – Schedule 8 leasehold improvements	+			
Operating leases capitalized for book purposes	+			
Capital gain deferred	+			
Recapture deferred	+			
Deductible expenses capitalized for book purposes – Schedule 1	+			
Other (specify):				
Subsection 13(7.4) election	+	1,359,844		
True-up 2017 CIP	+	-18,005		
Rounding	+	-157		
SRED adjustments	+	80,619		
Total additions per books	=	5,537,590	▶	5,537,590
Proceeds up to original cost – Schedule 8 regular classes		4,400		
Proceeds up to original cost – Schedule 8 leasehold improvements	+			
Proceeds in excess of original cost – capital gain	+			
Recapture deferred – as above	+			
Capital gain deferred – as above	+			
Pre V-day appreciation	+			
Other (specify):				
Amortization expense in distribution - from S(1)	+	89,889		
Amortization of land rights	+	-12,699	–	
Total proceeds per books	=	81,590	▶	81,590
Depreciation and amortization per accounts – Schedule 1			–	2,503,000
Loss on disposal of fixed assets per accounts			–	11,000
Gain on disposal of fixed assets per accounts			+	
Net change per tax return			=	2,942,000

Financial statements

Fixed assets (excluding land) per financial statements

Closing net book value		67,822,000
Opening net book value	–	64,880,000
Net change per financial statements	=	2,942,000

If the amounts from the tax return and the financial statements differ, explain why below.

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SCHEDULE 9

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
InnPower Corporation	89242 2817 RC0001	2018-12-31

- Complete this schedule if the corporation is related to or associated with at least one other corporation.
- For more information, see the *T2 Corporation Income Tax Guide*.

	Name	Country of residence (other than Canada)	Business number (see note 1)	Relationship code (see note 2)	Number of common shares you own	% of common shares you own	Number of preferred shares you own	% of preferred shares you own	Book value of capital stock
	100	200	300	400	500	550	600	650	700
1.	Innservices Utilities Inc.		81689 7326 RC0001	3					
2.	Town of Innisfil		NR	1					
3.	Innterprises Inc.		86556 4595 RC0001	3					

Note 1: Enter "NR" if the corporation is not registered or does not have a business number.
Note 2: Enter the code number of the relationship that applies from the following order: 1 - Parent 2 - Subsidiary 3 - Associated 4 - Related but not associated

Continuity of financial statement reserves (not deductible)

Financial statement reserves (not deductible)

	Description	Balance at the beginning of the year	Transfer on an amalgamation or the wind-up of a subsidiary	Add	Deduct	Balance at the end of the year
1	Post retirement benefits	156,696		178,083	156,696	178,083
2						
	Reserves from Part 2 of Schedule 13					
	Totals	156,696		178,083	156,696	178,083

The total opening balance plus the total transfers should be entered on line 414 of Schedule 1 as a deduction.
The total closing balance should be entered on line 126 of Schedule 1 as an addition.

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Schedule 23

Agreement Among Associated Canadian-Controlled Private Corporations to Allocate the Business Limit

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

Column 1: Enter the legal name of each of the corporations in the associated group, including those deemed to be associated under subsection 256(2) of the Income Tax Act.

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

Column 3: Enter the association code from the list below 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** as referred to in subsection 256(2) and has filed Schedule 28, Election not to be Associated Through a Third Corporation

3 – Non-CCPC that is a **third corporation**

4 – Associated non-CCPC

5 – Associated CCPC to which association code 1 does not apply because a **third corporation** has filed Schedule 28

Column 4: Enter the business limit for the year of each corporation in the associated group. Enter "0" if the corporation has association code 2, 3 or 4 in column 3 (except if the corporation is a cooperative or a credit union eligible for the SBD and it has association code 4).

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

Column 6: Enter the business limit allocated to each corporation by multiplying the amount in column 4 by the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A.

Ensure that the total at line A does not exceed $500,000.

Allocating the business limit

Date filed (do not use this area) . . . . . **025** Year Month Day

Enter the calendar year to which the agreement applies . . . . . **050** Year 2018

Is this an amended agreement for the above calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? . . . . . **075** [ ] Yes [X] No

	1 Name of associated corporations **100**	2 Business number of associated corporations **200**	3 Association code **300**	4 Business limit for the year before the allocation $	5 Percentage of the business limit % **350**	6 Business limit allocated* $ **400**	
1	InnPower Corporation	89242 2817 RC0001	1	500,000	100.0000	500,000	
2	Innservices Utilities Inc.	81689 7326 RC0001	1	500,000			
3	Town of Innisfil	NR	1	500,000			
4	Innterprises Inc.	86556 4595 RC0001	1	500,000			
				Total	100.0000	500,000	A

Business limit reduction under subsection 125(5.1) of the Act

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the factors used in this calculation is the "large corporation amount" at line 415 of the T2 return. The amount at line 415 is determined using the formula 0.225% x (D - $10,000,000). Details of this formula and variable D are in subsection 125(5.1) of the Act.

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

Special rules for business limit

Special rules apply under subsection 125(5) if a CCPC has more than one tax year ending in the same calendar year and it is associated in more than one of those tax years with another CCPC that has a tax year ending in that calendar year. The business limit for the second or later tax year will be equal to the business limit determined for the first tax year ending in the calendar year or the business limit determined for the second or later tax year ending in the same calendar year, whichever is less.

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Schedule 31

Investment Tax Credit – Corporations

General information

- Use this schedule:
  - to calculate an investment tax credit (ITC) earned during the tax year;
  - to claim a deduction against Part I tax payable;
  - to claim a refund of credit earned during the current tax year;
  - to claim a carryforward of credit from previous tax years;
  - to transfer a credit following an amalgamation or the wind-up of a subsidiary, as described under subsections 87(1) and 88(1);
  - to request a credit carryback to one or more previous years;
  - if you are subject to a recapture of ITC; or
  - if you are claiming:
    - the **Ontario Research and Development Tax Credit**;
    - the **Ontario Innovation Tax Credit.**
- Unless otherwise stated, all legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- The ITC is eligible for a three-year carryback (if not deductible in the year earned). It is also eligible for a twenty-year carryforward.
- Investments or expenditures, described in subsection 127(9) and Regulation Part XLVI, that earn an ITC are:
  - qualified property and qualified resource property (Parts 4 to 7 of this schedule);
  - qualified scientific research and experimental development (SR&ED) expenditures (Parts 8 to 17). File Form T661, *Scientific Research and Experimental Development (SR&ED) Expenditures Claim*;
  - pre-production mining expenditures (Parts 18 to 20);
  - apprenticeship job creation expenditures (Parts 21 to 23); and
  - child care spaces expenditures (Parts 24 to 28).
    - Expenditures related to child care spaces incurred after March 21, 2017 no longer qualify for the investment tax credit. If you entered into a written agreement before March 22, 2017, eligible expenditures incurred before 2020 will remain eligible for the credit.
- File this schedule with the *T2 Corporation Income Tax Return*. If you need more space, attach additional schedules.
- For more information on ITCs, see "Investment Tax Credit" in Guide T4012, *T2 Corporation – Income Tax Guide* and read Information Circular IC78-4, *Investment Tax Credit Rates*, and its related Special Release.
- For more information on SR&ED, see guide T4088, *Guide to Form T661 – Scientific Research and Experimental Development (SR&ED) Expenditures Claim*.

Detailed information

- For the purpose of this schedule, **investment** means the capital cost of the property (excluding amounts added by an election under section 21), determined without reference to subsections 13(7.1) and 13(7.4), minus the amount of any government or non-government assistance that the corporation has received, is entitled to receive, or can reasonably be expected to receive for that property when it files the income tax return for the year in which the property was acquired.
- An ITC deducted or refunded in a tax year for a depreciable property, other than a depreciable property deductible under paragraph 37(1)(b), reduces both the capital cost of that property and the undepreciated capital cost of that class in the next tax year. An ITC for SR&ED deducted or refunded in a tax year will reduce the balance in the pool of deductible SR&ED expenditures and the adjusted cost base (ACB) of an interest in a partnership in the next tax year. An ITC from pre-production mining expenditures deducted in a tax year reduces the balance in the pool of deductible cumulative Canadian exploration expenses in the next tax year.
- Property acquired has to be **available for use** before a claim for an ITC can be made. See subsections 127(11.2) and 248(19) for more information.
- Expenditures for SR&ED and capital costs for a property qualifying for an ITC must be identified by the claimant on Form T661 and Schedule 31 no later than 12 months after the claimant's income tax return is due for the tax year in which it incurred the expenditures or capital costs.
- Expenditures for pre-production mining, apprenticeship, or child care space for an ITC must be identified by the claimant on Schedule 31 no later than 12 months after the claimant's income tax return is due for the tax year in which it incurred the expenditures or capital costs.
- Partnership allocations – Subsection 127(8) provides for the allocation of the amount that may reasonably be considered to be a partner's share of the ITCs of the partnership at the end of the fiscal period of the partnership. An allocation of ITCs is generally considered to be the partner's reasonable share of the ITCs if it is made in the same proportion in which the partners have agreed to share any income or loss and if section 103 is not applicable for the agreement to share any income or loss. Special rules apply to specified members of a partnership and limited partners. For more information, see Guide T4068, *Guide for the Partnership Information Return*.
- For tax purposes**,** Canada includes the **exclusive economic zone of Canada** as defined in the *Oceans Act* (which generally consists of an area of the sea that is within 200 nautical miles from the Canadian coastline), including the airspace, seabed and subsoil of that zone.
- For the purpose of this schedule, the expression **Atlantic Canada** includes the Gaspé Peninsula and the provinces of Newfoundland and Labrador, Prince Edward Island, Nova Scotia, and New Brunswick, as well as their respective offshore regions (prescribed in Regulation 4609).
- For the purpose of this schedule, **qualified property** means property in Atlantic Canada that is used primarily for manufacturing and processing, farming or fishing, logging, storing grain, or harvesting peat. Property in Atlantic Canada that is used primarily for oil and gas, and mining activities is considered qualified property only if acquired by the taxpayer **before** March 29, 2012. Qualified property includes new buildings and new machinery and equipment (prescribed in Regulation 4600), and if acquired by the taxpayer **after** March 28, 2012, new energy generation and conservation property (prescribed in Regulation 4600). Qualified property can also be used primarily to produce or process electrical energy or steam in a prescribed area (as described in Regulation 4610). See the definition of **qualified property** in subsection 127(9) for more information.

Detailed information (continued)

- For the purpose of this schedule, **qualified resource property** means property in Atlantic Canada that is used primarily for oil and gas, and mining activities, if acquired by the taxpayer **after** March 28, 2012, and **before** January 1, 2016. Qualified resource property includes new buildings and new machinery and equipment (prescribed in Regulation 4600). See the definition of **qualified resource property** in subsection 127(9) for more information.
- For the purpose of this schedule, **pre-production mining exploration expenditures** are pre-production mining expenditures incurred **after** March 28, 2012, by the taxpayer to determine the existence, location, extent, or quality of certain mineral resources in Canada, excluding expenses incurred in the exploration of an oil or gas well. See subparagraph (a)(i) of the definition of **pre-production mining expenditure** in subsection 127(9) for more information.
- For the purpose of this schedule, **pre-production mining development expenditures** are pre-production mining expenditures incurred **after** March 28, 2012, by the taxpayer to bring a new mineral resource mine in Canada into production, excluding expenses in the development of a bituminous sands deposit or an oil shale deposit. See subparagraph (a)(ii) of the definition of **pre-production mining expenditure** in subsection 127(9) for more information.

Part 1 – Investments, expenditures, and percentages

Investments	**Specified percentage**
Qualified property acquired primarily for use in Atlantic Canada	10 %
Qualified resource property acquired primarily for use in Atlantic Canada and acquired:	
– after March 28, 2012, and before 2014	10 %
– after 2013 and before 2016	5 %
– after 2015*	0 %
Expenditures	
If you are a Canadian-controlled private corporation (CCPC), this percentage may apply to the portion that you claim of the SR&ED qualified expenditure pool that does not exceed your expenditure limit (see Part 10)	35 %
Note: If your current year's qualified expenditures are more than your expenditure limit (see Part 10), the excess is eligible for an ITC calculated at the 15 % rate.	
If you are a corporation that is not a CCPC and have incurred qualified expenditures for SR&ED in any area in Canada:	
– before 2014**	20 %
– after 2013**	15 %
If you are a taxable Canadian corporation that incurred pre-production mining expenditures before March 29, 2012	10 %
If you are a taxable Canadian corporation that incurred pre-production mining exploration expenditures:	
– after March 28, 2012, and before 2013	10 %
– in 2013	5 %
– after 2013	0 %
If you are a taxable Canadian corporation that incurred pre-production mining development expenditures***:	
– after March 28, 2012, and before 2014	10 %
– in 2014	7 %
– in 2015	4 %
– after 2015	0 %
If you paid salary and wages to apprentices in the first 24 months of their apprenticeship contract for employment	10 %
If you incurred expenditures after March 18, 2007 and before March 22, 2017 (or before 2020 if you entered into a written agreement before March 22, 2017) for the creation of licensed child care spaces for the children of your employees and, potentially, for other children	25 %

* A transitional relief rate of 10% may apply to property acquired after 2013 and before 2017, if the property is acquired under a written agreement entered into before March 29, 2012, or the property is acquired as part of a **phase** of a project where the construction or the engineering and design work for the construction started before March 29, 2012. See paragraph (a.1) of the definition of **specified percentage** in subsection 127(9) for more information.

** The reduction of the rate from 20% to 15% applies to 2014 and later tax years, except that, for 2014 tax years that start before 2014, the reduction is pro-rated based on the number of days in the tax year that are after 2013.

*** A transitional relief rate may apply to expenditures incurred after 2013 and before 2016, if the expenditure is incurred under a written agreement entered into before March 29, 2012, or the expenditure is incurred as part of the development of a new mine where the construction or the engineering and design work for the construction of the new mine started before March 29, 2012. See subparagraphs (k)(ii) and (iii) of the definition of **specified percentage** in subsection 127(9) for more information.

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2018-12-31

Part 2 – Determination of a qualifying corporation

Is the corporation a qualifying corporation? . . . . . **101** 1 Yes [ ] 2 No [X]

For the purpose of a refundable ITC, a **qualifying corporation** is defined under subsection 127.1(2). The corporation has to be a CCPC and its taxable income (before any loss carrybacks) for its previous tax year cannot be more than its **qualifying income limit** for the particular tax year. If the corporation is associated with any other corporations during the tax year, the total of the taxable incomes of the corporation and the associated corporations (before any loss carrybacks), for their last tax year ending in the previous calendar year, cannot be more than their qualifying income limit for the particular tax year.

Note: A CCPC considered associated with another corporation under subsection 256(1) will be considered **not** associated for the calculation of a refundable ITC if:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of both corporations; and
- one of the corporations has at least one shareholder who is not common to both corporations.

If you are a **qualifying** corporation, you will earn a **100%** refund on your share of any ITCs earned at the 35% rate on qualified **current** expenditures for SR&ED, up to the allocated expenditure limit. The 100% refund does not apply to qualified **capital** expenditures eligible for the 35% credit rate. They are only eligible for the **40%** refund*.

Some CCPCs that are **not qualifying** corporations may also earn a **100%** refund on their share of any ITCs earned at the 35% rate on qualified **current** expenditures for SR&ED, up to the allocated expenditure limit. The expenditure limit can be determined in Part 10. The 100% refund does not apply to qualified **capital** expenditures eligible for the 35% credit rate. They are only eligible for the **40%** refund*.

The 100% refund will not be available to a corporation that is an **excluded corporation** as defined under subsection 127.1(2). A corporation is an excluded corporation if, at any time during the year, it is a corporation that is either controlled by (directly or indirectly, in any manner whatever) or is related to:

a) one or more persons exempt from Part I tax under section 149;

b) Her Majesty in right of a province, a Canadian municipality, or any other public authority; or

c) any combination of persons referred to in a) or b) above.

* Capital expenditures incurred after December 31, 2013, including lease payments for property that would have been a capital expenditure if purchased directly, are **not** qualified SR&ED expenditures and are **not** eligible for an ITC on SR&ED expenditures.

Part 3 – Corporations in the farming industry

Complete this area if the corporation is making SR&ED contributions.

Is the corporation claiming a contribution in the current year to an agricultural organization whose goal is to finance SR&ED work (for example, check-off dues)? . . . . . **102** 1 Yes [ ] 2 No [X]

If **yes**, complete Schedule 125, *Income Statement Information*, to identify the type of farming industry the corporation is involved in.

Contributions to agricultural organizations for SR&ED* . . . . . **103** ______
Enter on line 350 of Part 8.

* Enter only contributions not already included on Form T661.
Include 80% of the contributions made **after** 2012. For contributions made **before** 2013, include all of the contributions.

Qualified Property and Qualified Resource Property

Part 4 – Eligible investments for qualified property and qualified resource property from the current tax year

Capital cost allowance class number **105**	Description of investment **110**	Date available for use **115**	Location used in Atlantic Canada (province) **120**	Amount of investment **125**

Total of investments for qualified property and qualified resource property ______ A1

Part 5 – Current-year credit and account balances – ITC from investments in qualified property and qualified resource property

ITC at the end of the previous tax year				B1
Credit deemed as a remittance of co-op corporations	210			
Credit expired	215			
Subtotal (line 210 **plus** line 215)			▶	C1
ITC at the beginning of the tax year (amount B1 **minus** amount C1)			220	
Credit transferred on an amalgamation or the wind-up of a subsidiary	230			
ITC from repayment of assistance	235			
Qualified property; and qualified resource property acquired after March 28, 2012, and before January 1, 2014* (applicable part from amount A1 in Part 4) ____ x 10 % =	240			
Qualified resource property acquired after December 31, 2013, and before January 1, 2016 (applicable part from amount A1 in Part 4) ____ x 5 % =	242			
Credit allocated from a partnership	250			
Subtotal (total of lines 230 to 250)			▶	D1
Total credit available (line 220 **plus** amount D1)				E1
Credit deducted from Part I tax	260			
Credit carried back to previous years (amount H1 in Part 6)			a	
Credit transferred to offset Part VII tax liability	280			
Subtotal (total of line 260, amount a, and line 280)			▶	F1
Credit balance before refund (amount E1 **minus** amount F1)				G1
Refund of credit claimed on investments from qualified property and qualified resource property (from Part 7)			310	
ITC closing balance of investments from qualified property and qualified resource property (amount G1 **minus** line 310)			320	

* Include investments acquired after 2013 and before 2017 that are eligible for transitional relief.

Part 6 – Request for carryback of credit from investments in qualified property and qualified resource property

	Year	Month	Day			
1st previous tax year				Credit to be applied	901	
2nd previous tax year				Credit to be applied	902	
3rd previous tax year				Credit to be applied	903	

Total of lines 901 to 903
Enter at amount a in Part 5. H1

Part 7 – Refund of ITC for qualifying corporations on investments from qualified property and qualified resource property

Current-year ITCs (total of lines 240, 242, and 250 in Part 5)	I1
Credit balance before refund (from amount G1 in Part 5)	J1
Refund (40 % of amount I1 or J1, whichever is less)	K1

Enter amount K1 or a lesser amount on line 310 in Part 5 (also enter on line 780 of the T2 return if you do not claim an SR&ED ITC refund).

SR&ED

Part 8 – Qualified SR&ED expenditures

Current expenditures (from line 557 on Form T661)		277,465		
Contributions to agricultural organizations for SR&ED				
Deduct:				
Government assistance, non-government assistance, or contract payment				
Contributions to agricultural organizations for SR&ED for the federal ITC (this amount is updated to line 103 of Part 3. For more details, consult the Help.)*		+		
Current expenditures (line 557 on Form T661 **plus** line 103 in Part 3)*		277,465	350	277,465
Capital expenditures incurred **before** 2014 (from line 558 on Form T661)**			360	
Repayments made in the year (from line 560 on Form T661)			370	
Qualified SR&ED expenditures (total of lines 350 to 370)			380	277,465

* If you are claiming only contributions made to agricultural organizations for SR&ED, line 350 should equal line 103 in Part 3. Do not file Form T661.

** Capital expenditures incurred after December 31, 2013, are not qualified SR&ED expenditures. Capital cost allowance can be claimed for depreciable property acquired for use in SR&ED after 2013.

Part 9 – Components of the SR&ED expenditure limit calculation

Part 9 only applies if you are a CCPC.

Note: A CCPC considered associated with another corporation under subsection 256(1) will be considered not associated for the calculation of an SR&ED expenditure limit if:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of the corporation; and
- one of the corporations has at least one shareholder who is not common to both corporations.

Is the corporation associated with another CCPC for the purpose of calculating the SR&ED expenditure limit? .... 385 1 Yes [X] 2 No [ ]

If you answered **no** to the question on line 385 or if you are not associated with any other corporations, complete lines 390 and 398.
If you answered **yes**, the amounts for associated corporations will be determined on Schedule 49.

Enter your taxable income for the previous tax year* (prior to any loss carrybacks applied) .... 390 ______

Enter your taxable capital employed in Canada for the previous tax year minus $10 million. If this amount is nil or negative, enter "0". If this amount is over $40 million, enter $40 million .... 398 ______

* If the tax year referred to on line 390 is less than 51 weeks, **multiply** the taxable income by the following result: 365 **divided** by the number of days in that tax year.

Part 10 – SR&ED expenditure limit for a CCPC

For a stand-alone (not associated) corporation:			$ 8,000,000	
Taxable income for the previous tax year (line 390 in Part 9) or $500,000, whichever is more		x 10 =		A2
Excess ($8,000,000 **minus** amount A2 if the taxation year ends before March 19, 2019; otherwise, enter $3,000,000) (if negative, enter "0")*				B2
$ 40,000,000 **minus** line 398 in Part 9		b		
Amount b **divided** by $ 40,000,000				C2
Expenditure limit for the stand-alone corporation (amount B2 **multiplied** by amount C2)**				D2
For an associated corporation:				
If associated, the allocation of the SR&ED expenditure limit, as provided on Schedule 49**		400		E2

If your tax year is less than 51 weeks, calculate the amount of the expenditure limit as follows:

Amount D2 or E2 ______ x Number of days in the tax year / 365 = 365 .... ______ F2

Your SR&ED expenditure limit for the year (enter amount D2, E2, or F2, whichever applies) .... 410 ______

* For taxation years ending after March 18, 2019, the taxable income is no longer taken into account in the SR&ED expenditure limit calculation. For more information, consult the Help (F1).

** Amount D2 or E2 cannot be more than $3,000,000.

Part 11 – Investment tax credits on SR&ED expenditures

Current expenditures (from line 350 in Part 8) or the expenditure limit (from line 410 in Part 10), whichever is less*	**420**		x	35 %	=		G2
Line 350 **minus** line 410 (if negative, enter "0")	**430**	277,465					

Amount from line 430 ______ x (Number of days in the tax year before 2014 / Number of days in the tax year) ______ x 20% = ______ c

Amount from line 430** 277,465 x (Number of days in the tax year after 2013 / Number of days in the tax year) 365 / 365 x 15 % = 41,620 d

Subtotal (amount c **plus** amount d)	41,620	▶	41,620	H2
Line 410 **minus** line 350 (if negative, enter "0")				e

Capital expenditures (line 360 in Part 8) or amount e, whichever is less*	**440**		x	35 %	=		I2
Line 360 **minus** amount e (if negative, enter "0")	**450**						

Amount from line 450 ______ x (Number of days in the tax year before 2014 / Number of days in the tax year) ______ x 20% = ______ f

Amount from line 450** ______ x (Number of days in the tax year after 2013 / Number of days in the tax year) 365 / 365 x 15 % = ______ g

Subtotal (amount f **plus** amount g)		▶		J2

If a corporation makes a repayment of any government or non-government assistance, or contract payments that reduced the amount of qualified expenditures for ITC purposes, the amount of the repayment is eligible for a credit.

Repayments (amount from line 370 in Part 8) ______

Enter the amount of the repayment on the line that corresponds to the appropriate rate.

Repayment of assistance that reduced a qualifying expenditure for a CCPC***	**460**		x	35 %	=		h
Repayment of assistance made after September 16, 2016 that reduced a qualifying expenditure incurred before 2015	**480**		x	20 %	=		i
Repayment of assistance made after September 16, 2016 that reduced a qualifying expenditure incurred after 2014	**490**		x	15 %	=		j

Subtotal (**add** amounts h to j)		▶		K2
Current-year SR&ED ITC (total of amounts G2 to K2; enter on line 540 in Part 12)			41,620	L2

* For corporations that are not CCPCs, enter "0" for amounts G2 and I2.

** For tax years that end after 2013, the general SR&ED ITC rate is reduced from 20% to 15%, except that, for 2014 tax years that start **before** 2014, the reduction is pro-rated based on the number of days in the tax year that are **after** 2013. For tax years that have a start date **after** 2013, **multiply** the amount by 15%.

*** If you were a Canadian-controlled private corporation (CCPC), this percentage was applied to the portion that you claimed of the SR&ED qualified expenditure pool that did not exceed your expenditure limit at the time. This percentage includes the rate under subsection 127(10.1), **additions to investment tax credit**. See subsection 127(10.1) for details about exceptions. For expenditures not eligible for this rate use line 480 or 490 as appropriate.

Part 12 – Current-year credit and account balances – ITC from SR&ED expenditures

	Line	Amount	Line	Amount	
ITC at the end of the previous tax year					M2
Credit deemed as a remittance of co-op corporations	510				
Credit expired	515				
Subtotal (line 510 **plus** line 515)			▶		N2
ITC at the beginning of the tax year (amount M2 **minus** amount N2)			520		
Credit transferred on an amalgamation or the wind-up of a subsidiary	530				
Total current-year credit (from amount L2 in Part 11)	540	41,620			
Credit allocated from a partnership	550				
Subtotal (total of lines 530 to 550)		41,620	▶	41,620	O2
Total credit available (line 520 **plus** amount O2)				41,620	P2
Credit deducted from Part I tax	560	4,462			
Credit carried back to previous years (amount S2 in Part 13)			k		
Credit transferred to offset Part VII tax liability	580				
Subtotal (total of line 560, amount k, and line 580)		4,462	▶	4,462	Q2
Credit balance before refund (amount P2 **minus** amount Q2)				37,158	R2
Refund of credit claimed on SR&ED expenditures (from Part 14 or 15, whichever applies)			610		
ITC closing balance on SR&ED (amount R2 **minus** line 610)			620	37,158	

Part 13 – Request for carryback of credit from SR&ED expenditures

	Year	Month	Day		Line	Amount	
1st previous tax year				Credit to be applied	911		
2nd previous tax year				Credit to be applied	912		
3rd previous tax year				Credit to be applied	913		
				Total of lines 911 to 913 Enter at amount k in Part 12.			S2

Part 14 – Refund of ITC for qualifying corporations – SR&ED

Complete this part only if you are a qualifying corporation as determined on line 101 in Part 2.

Is the corporation an excluded corporation as defined under subsection 127.1(2)?	650	1 Yes [ ] 2 No [X]	
Current-year ITC (lines 540 **plus** 550 in Part 12 **minus** amount K2 in Part 11)			I
Refundable credits (amount I or amount R2 in Part 12, whichever is less)*			T2
Amount T2 or amount G2 in Part 11, whichever is less			U2
Net amount (amount T2 **minus** amount U2; if negative, enter "0")			V2
Amount V2 **multiplied** by 40 %			W2
Amount U2			X2
Refund of ITC (amount W2 **plus** amount X2 – enter this, or a lesser amount, on line 610 in Part 12)			Y2

Enter the total of line 310 in Part 5 and line 610 in Part 12 on line 780 of the T2 return.

* If you are also an excluded corporation, as defined in subsection 127.1(2), this amount must be multiplied by 40%. Claim this, or a lesser amount, as your refund of ITC for amount Y2.

Part 15 – Refund of ITC for CCPCs that are not qualifying or excluded corporations – SR&ED

Complete this part only if you are a CCPC that is not a qualifying or excluded corporation as determined on line 101 in Part 2.

Credit balance before refund (amount R2 in Part 12)	37,158	Z2
Amount Z2 or amount G2 in Part 11, whichever is less		AA2
Net amount (amount Z2 **minus** amount AA2; if negative, enter "0")	37,158	BB2
Amount BB2 or amount I2 in Part 11, whichever is less		CC2
Amount CC2 **multiplied** by 40 %		DD2
Amount AA2		EE2
Refund of ITC (amount DD2 **plus** amount EE2)		FF2

Enter FF2, or a lesser amount, on line 610 in Part 12 and also on line 780 of the T2 return.

Recapture – SR&ED

Part 16 – Recapture of ITC for corporations and partnerships – SR&ED

You will have a recapture of ITC in a year when **all** of the following conditions are met:

- you acquired a particular property in the current year or in any of the 20 previous tax years, and the credit was earned in a tax year ending after 1997 and did not expire before 2008;
- you claimed the cost of the property as a qualified expenditure for SR&ED on Form T661;
- the cost of the property was included in calculating your ITC or was the subject of an agreement made under subsection 127(13) to transfer qualified expenditures; and
- you disposed of the property or converted it to commercial use after February 23, 1998. This condition is also met if you disposed of or converted to commercial use a property that incorporates the particular property previously referred to.

Note:

The recapture **does not apply** if you disposed of the property to a non-arm's-length purchaser who intended to use it all or substantially all for SR&ED. When the non-arm's-length purchaser later sells or converts the property to commercial use, the recapture rules will apply to the purchaser based on the historical ITC rate of the original user.

You will report a recapture on the T2 return for the year in which you disposed of the property or converted it to commercial use. In the following tax year, add the amount of the ITC recapture to the SR&ED expenditure pool.

If you have more than one disposition for calculations 1 and 2, complete the columns for each disposition for which a recapture applies, using the calculation formats below.

Calculation 1 – If you meet all of the above conditions

Amount of ITC you originally calculated for the property you acquired, or the original user's ITC where you acquired the property from a non-arm's length party, as described in the **note** above 700	Amount calculated using ITC rate at the date of acquisition (or the original user's date of acquisition) on either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value of the property (in any other case) 710	Amount from column 700 or 710, whichever is less

Subtotal Enter at amount C3 in Part 17. ______ A3

Calculation 2 – Only if you transferred all or a part of the qualified expenditure to another person under an agreement described in subsection 127(13); otherwise, enter nil on line B3.

A Rate that the transferee used in determining its ITC for qualified expenditures under a subsection 127(13) agreement 720	B Proceeds of disposition of the property if you dispose of it to an arm's length person; or, in any other case, enter the fair market value of the property at conversion or disposition 730	C Amount, if any, already provided for in Calculation 1 (This allows for the situation where only part of the cost of a property is transferred under a subsection 127(13) agreement.) 740	D Amount determined by the formula (A x B) – C	E ITC earned by the transferee for the qualified expenditures that were transferred 750	F Amount from column D or E, whichever is less

Subtotal (total of column F) Enter at amount D3 in Part 17. ______ B3

Part 16 – Recapture of ITC for corporations and partnerships – SR&ED (continued)

Calculation 3

As a member of the partnership, you will report your share of the SR&ED ITC of the partnership after the SR&ED ITC has been reduced by the amount of the recapture. If this amount is a positive amount, you will report it on line 550 in Part 12. However, if the partnership does not have enough ITC otherwise available to offset the recapture, then the amount by which reductions to ITC exceed additions (the excess) will be determined and reported on line 760.

Corporate partner's share of the excess of SR&ED ITC **760** ____________
Enter at amount E3 in Part 17.

Part 17 – Total recapture of SR&ED investment tax credit

Recaptured ITC from calculation 1, amount A3 in Part 16		C3
Recaptured ITC from calculation 2, amount B3 in Part 16		D3
Recaptured ITC from calculation 3, line 760 in Part 16		E3
Total recapture of SR&ED investment tax credit (total of amounts C3 to E3) Enter at amount A8 in Part 29.		F3

Pre-Production Mining

Part 18 – Pre-production mining expenditures

Exploration information

A mineral resource that qualifies for the credit means a mineral deposit from which the principal mineral to be extracted is diamond, a base or precious metal deposit, or a mineral deposit from which the principal mineral to be extracted is an industrial mineral that, when refined, results in a base or precious metal.

In column 800, list all minerals for which pre-production mining expenditures have taken place in the tax year.

For each of the minerals reported in column 800, identify each project (in column 805), mineral title (in column 806), and mining division (in column 807) where title is registered. If there is no mineral title, identify only the project and mining division.

List of minerals 800	Project name 805

Mineral title 806	Mining division 807

Pre-production mining expenditures*

Exploration:

Pre-production mining expenditures that you incurred in the tax year (**before** January 1, 2014) for the purpose of determining the existence, location, extent, or quality of a mineral resource in Canada:

Prospecting	810		
Geological, geophysical, or geochemical surveys	811		
Drilling by rotary, diamond, percussion, or other methods	812		
Trenching, digging test pits, and preliminary sampling	813		

Development:

Pre-production mining expenditures incurred in the tax year for bringing a new mine in a mineral resource in Canada into production in reasonable commercial quantities and incurred before the new mine comes into production in such quantities:

Clearing, removing overburden, and stripping	820		
Sinking a mine shaft, constructing an adit, or other underground entry	821		

Other pre-production mining expenditures incurred in the tax year:

Description 825	Amount 826
Total of column 826	

Total of column 826 ►			A4
Total pre-production mining expenditures (total of lines 810 to 821 and amount A4)	830		
Total of all assistance (grants, subsidies, rebates, and forgivable loans) or reimbursements that the corporation has received or is entitled to receive in respect of the amounts referred to on line 830 above	832		
Excess (line 830 **minus** line 832) (if negative, enter "0")			B4
Repayments of government and non-government assistance	835		
Pre-production mining expenditures (amount B4 **plus** line 835)			C4

* A pre-production mining expenditure is defined under subsection 127(9).

Part 19 – Current-year credit and account balances – ITC from pre-production mining expenditures

ITC at the end of the previous tax year					D4
Credit deemed as a remittance of co-op corporations	841				
Credit expired	845				
Subtotal (line 841 **plus** line 845)			▶		E4
ITC at the beginning of the tax year (amount D4 **minus** amount E4)			850		
Credit transferred on an amalgamation or the wind-up of a subsidiary			860		
Pre-production mining expenditures* incurred before January 1, 2013 (applicable part from amount C4 in Part 18)	870	x 10 % =	m		
Pre-production mining exploration expenditures** incurred in 2013 (applicable part from amount C4 in Part 18)	872	x 5 % =	n		
Pre-production mining development expenditures incurred in 2014 (applicable part from amount C4 in Part 18)	874	x 7 % =	o		
Pre-production mining development expenditures incurred in 2015 (applicable part from amount C4 in Part 18)	876	x 4 % =	p		
Current year credit (total of amounts m to p)	880		▶		F4
Total credit available (total of lines 850, 860, and amount F4)					G4
Credit deducted from Part I tax	885				
Credit carried back to previous years (amount I4 in Part 20)			q		
Subtotal (line 885 **plus** amount q)			▶		H4
ITC closing balance from pre-production mining expenditures (amount G4 **minus** amount H4)			890		

* Also include pre-production mining development expenditures incurred before 2014 and pre-production mining development expenditures incurred after 2013 and before 2016 that are eligible for transitional relief.

** Also include pre-production mining development expenditures incurred in 2015 if the expense is described in subparagraph (a)(ii) of the definition **pre-production mining expenditure** in subsection 127(9) of the Act because of paragraph (g.4) of the definition **Canadian exploration expense** in subsection 66.1(6) of the Act.

Part 20 – Request for carryback of credit from pre-production mining expenditures

	Year	Month	Day			
1st previous tax year				Credit to be applied	921	
2nd previous tax year				Credit to be applied	922	
3rd previous tax year				Credit to be applied	923	

Total of lines 921 to 923
Enter at amount q in Part 19. I4

Apprenticeship Job Creation

Part 21 – Total current-year credit – ITC from apprenticeship job creation expenditures

If you are a related person as defined under subsection 251(2), has it been agreed in writing that you are the only employer who will be claiming the apprenticeship job creation tax credit for this tax year for each apprentice whose contract number (or social insurance number (SIN) or name) appears below? (If not, you cannot claim the tax credit.) . . . . **611** 1 Yes ☐ 2 No ☐

For each apprentice in their first 24 months of the apprenticeship, enter the apprenticeship contract number registered with Canada, or a province or territory, under an apprenticeship program designed to certify or license individuals in the trade. For the province, the trade must be a Red Seal trade. If there is no contract number, enter the SIN or the name of the eligible apprentice.

A Contract number (SIN or name of apprentice) **601**	B Name of eligible trade **602**	C Eligible salary and wages* **603**	D Column C x 10 % **604**	E Lesser of column D or $ 2,000 **605**
			Total current-year credit (total of column E) Enter on line 640 in Part 22.	A5

* Other than qualified expenditure incurred, and net of any other government or non-government assistance received or to be received. **Eligible salary and wages**, and **qualified expenditures** are defined under subsection 127(9).

Part 22 – Current-year credit and account balances – ITC from apprenticeship job creation expenditures

ITC at the end of the previous tax year B5

Credit deemed as a remittance of co-op corporations **612**

Credit expired after 20 tax years **615**

Subtotal (line 612 **plus** line 615) ▶ C5

ITC at the beginning of the tax year (amount B5 **minus** amount C5) **625**

Credit transferred on an amalgamation or the wind-up of a subsidiary **630**

ITC from repayment of assistance **635**

Total current-year credit (amount A5 in Part 21) **640**

Credit allocated from a partnership **655**

Subtotal (total of lines 630 to 655) ▶ D5

Total credit available (line 625 **plus** amount D5) E5

Credit deducted from Part I tax **660**

Credit carried back to previous years (amount G5 in Part 23) . . . . r

Subtotal (line 660 **plus** amount r) ▶ F5

ITC closing balance from apprenticeship job creation expenditures (amount E5 **minus** amount F5) **690**

Part 23 – Request for carryback of credit from apprenticeship job creation expenditures

	Year	Month	Day		
1st previous tax year				Credit to be applied	**931**
2nd previous tax year				Credit to be applied	**932**
3rd previous tax year				Credit to be applied	**933**

Total of lines 931 to 933
Enter at amount r in Part 22. G5

Child Care Spaces

Part 24 – Eligible child care spaces expenditures

Enter the eligible expenditures that you incurred after March 18, 2007 and before March 22, 2017***** to create licensed child care spaces for the children of the employees and, potentially, for other children. You cannot be carrying on a child care services business. The eligible expenditures include:

- the cost of depreciable property (other than specified property); and
- the specified child care start-up expenditures.

Properties should be acquired and expenditures should be incurred only to create new child care spaces at a licensed child care facility.

Cost of depreciable property from the current tax year

	Capital cost allowance class number 665	Description of investment 675	Date available for use 685	Amount of investment 695
1.				

Total cost of depreciable property from the current tax year (total of column 695) 715 ______

Specified child care start-up expenditures from the current tax year . . . . . 705 ______

Total gross eligible expenditures for child care spaces (line 715 **plus** line 705) . . . . . ______ A6

Total of all assistance (including grants, subsidies, rebates, and forgivable loans) or reimbursements that the corporation has received or is entitled to receive in respect of the amounts referred to in amount A6 . . . . . 725 ______

Excess (amount A6 **minus** line 725) (if negative, enter "0") . . . . . ______ B6

Repayments by the corporation of government and non-government assistance . . . . . 735 ______

Total eligible expenditures for child care spaces (amount B6 **plus** line 735) . . . . . 745 ______

* If you entered into a written agreement before March 22, 2017, eligible expenditures incurred before 2020 will remain eligible for the credit.

Part 25 – Current-year credit – ITC from child care spaces expenditures

The credit is equal to 25% of eligible child care spaces expenditures incurred to a maximum of $10,000 per child care space created in a licensed child care facility.

Eligible expenditures (from line 745 in Part 24) . . . . . ______ x 25 % = ______ C6

Number of child care spaces . . . . . 755 ______ x $ 10,000 = ______ D6

ITC from child care spaces expenditures (amount C6 or D6, whichever is less) . . . . . ______ E6

Part 26 – Current-year credit and account balances – ITC from child care spaces expenditures

ITC at the end of the previous tax year				F6
Credit deemed as a remittance of co-op corporations	765			
Credit expired after 20 tax years	770			
Subtotal (line 765 **plus** line 770)			▶	G6
ITC at the beginning of the tax year (amount F6 **minus** amount G6)			775	
Credit transferred on an amalgamation or the wind-up of a subsidiary	777			
Total current-year credit (amount E6 in Part 25)	780			
Credit allocated from a partnership	782			
Subtotal (total of lines 777 to 782)			▶	H6
Total credit available (line 775 **plus** amount H6)				I6
Credit deducted from Part I tax	785			
Credit carried back to previous years (amount K6 in Part 27)		s		
Subtotal (line 785 **plus** amount s)			▶	J6
ITC closing balance from child care spaces expenditures (amount I6 **minus** amount J6)			790	

Part 27 – Request for carryback of credit from child care space expenditures

	Year Month Day			
1st previous tax year	2017-12-31	Credit to be applied	941	
2nd previous tax year	2016-12-31	Credit to be applied	942	
3rd previous tax year	2015-12-31	Credit to be applied	943	
		Total of lines 941 to 943 Enter at amount s in Part 26.		K6

Recapture – Child Care Spaces

Part 28 – Recapture of ITC for corporations and partnerships – Child care spaces

The ITC will be recovered against the taxpayer's tax otherwise payable under Part I of the Act if, at any time within 60 months of the day on which the taxpayer acquired the property:

- the new child care space is no longer available; or
- property that was an eligible expenditure for the child care space is:
  - disposed of or leased to a lessee; or
  - converted to another use.

If the property disposed of is a child care space, the amount that can reasonably be considered to have been included in the original ITC (paragraph 127(27.12)(a)) . . . . **792** ______

In the case of eligible expenditures (paragraph 127(27.12)(b)), the lesser of:

The amount that can reasonably be considered to have been included in the original ITC . . . . **795** ______

25% of either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value (in any other case) of the property . . . . **797** ______

Amount from line 795 or line 797, whichever is less . . . . ______ A7

Partnerships

As a member of the partnership, you will report your share of the child care spaces ITC of the partnership after the child care spaces ITC has been reduced by the amount of the recapture. If this amount is a positive amount, you will report it on line 782 in Part 26. However, if the partnership does not have enough ITC otherwise available to offset the recapture, then the amount by which reductions to ITC exceed additions (the excess) will be determined and reported on line 799 below.

Corporate partner's share of the excess of ITC **799** ______

Total recapture of child care spaces investment tax credit (total of line 792, amount A7, and line 799) . . . . ______ B7
Enter at amount B8 in Part 29.

Summary of Investment Tax Credits

Part 29 – Total recapture of investment tax credit

Recaptured SR&ED ITC (amount F3 in Part 17)		A8
Recaptured child care spaces ITC (amount B7 in Part 28)		B8
Total recapture of investment tax credit (amount A8 **plus** amount B8) . . . . Enter on line 602 of the T2 return.		C8

Part 30 – Total ITC deducted from Part I tax

ITC from investments in qualified property deducted from Part I tax (line 260 in Part 5)		D8
ITC from SR&ED expenditures deducted from Part I tax (line 560 in Part 12)	4,462	E8
ITC from pre-production mining expenditures deducted from Part I tax (line 885 in Part 19)		F8
ITC from apprenticeship job creation expenditures deducted from Part I tax (line 660 in Part 22)		G8
ITC from child care space expenditures deducted from Part I tax (line 785 in Part 26)		H8
Total ITC deducted from Part I tax (total of amounts D8 to H8) . . . . Enter on line 652 of the T2 return.	4,462	I8

Summary of Investment Tax Credit Carryovers

Continuity of investment tax credit carryovers

CCA class number 99 Cur. or cap. R&D for ITC

Current year

	Addition current year (A)	Applied current year (B)	Claimed as a refund (C)	Carried back (D)	ITC end of year (A-B-C-D)
	41,620	4,462			37,158

Prior years

Taxation year	ITC beginning of year (E)	Adjustments (F)	Applied current year (G)	ITC end of year (E-F-G)
2017-12-31				
2016-12-31				
2015-12-31				
2014-12-31				
2013-12-31				
2012-12-31				
2011-12-31				
2010-12-31				
2009-12-31				
2008-12-31				*
2007-12-31				
2006-12-31				
2005-12-31				
2004-12-31				
2003-12-31				
2002-12-31				
2001-12-31				
				*
Total				

B+C+D+G **Total ITC utilized** 4,462

* The **ITC end of year** includes the amount of ITC expired from the 10th preceding year if it is before January 1, 1998, or the amount of ITC expired from the 20th preceding year if it is after December 31, 1997. Note that this credit expires at the end of the tax year and any expired credit will be posted to line 215, 515, 615, 770 or 845, as applicable, in Schedule 31 the following year.

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Schedule 33

Taxable Capital Employed in Canada – Large Corporations

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2018-12-31

- Use this schedule in determining if the total taxable capital employed in Canada of the corporation (other than a financial institution or an insurance corporation) and its related corporations is greater than $10,000,000.
- If the total taxable capital employed in Canada of the corporation and its related corporations is greater than $10,000,000, file a completed Schedule 33 with your T2 *Corporation Income Tax Return* no later than six months from the end of the tax year.
- Unless otherwise noted, all legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 181(1) defines the terms **financial institution**, **long-term debt**, and **reserves**.
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part I.3 for its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or for a partnership in which it has an interest.
- If the corporation was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 4, **Taxable capital employed in Canada**.

Part 1 – Capital

Add the following year-end amounts:

	Line	Amount	
Reserves that have not been deducted in calculating income for the year under Part I	101	178,083	
Capital stock (or members' contributions if incorporated without share capital)	103	10,852,000	
Retained earnings	104	10,032,000	
Contributed surplus	105	1,600,000	
Any other surpluses	106		
Deferred unrealized foreign exchange gains	107		
All loans and advances to the corporation	108	293,000	
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109		
Any dividends declared but not paid by the corporation before the end of the year	110		
All other indebtedness of the corporation (other than any indebtedness for a lease) that has been outstanding for more than 365 days before the end of the year	111		
The total of all amounts, each of which is the amount, if any, in respect of a partnership in which the corporation held a membership interest at the end of the year, either directly or indirectly through another partnership (see note below)	112		
Subtotal (**add** lines 101 to 112)		22,955,083 ▶	22,955,083 A

Note:

Line 112 is determined by the formula (A – B) x C/D (as per paragraph 181.2(3)(g)) where:

A is the total of all amounts that would be determined for lines 101, 107, 108, 109, and 111 in respect of the partnership for its last fiscal period that ends at or before the end of the year if

a) those lines applied to partnerships in the same manner that they apply to corporations, and

b) those amounts were computed without reference to amounts owing by the partnership

(i) to any corporation that held a membership interest in the partnership either directly or indirectly through another partnership, or

(ii) to any partnership in which a corporation described in subparagraph (i) held a membership interest either directly or indirectly through another partnership.

B is the partnership's deferred unrealized foreign exchange losses at the end of the period,

C is the share of the partnership's income or loss for the period to which the corporation is entitled either directly or indirectly through another partnership, and

D is the partnership's income or loss for the period.

Part 1 – Capital (continued)

Subtotal A (from page 1)		22,955,083	A
Deduct the following amounts:			
Deferred tax debit balance at the end of the year	121		
Any deficit deducted in calculating its shareholders' equity (including, for this purpose, the amount of any provision for the redemption of preferred shares) at the end of the year	122		
To the extent that the amount may reasonably be regarded as being included in any of lines 101 to 112 above for the year, any amount deducted under subsection 135(1) in calculating income under Part I for the year.	123		
Deferred unrealized foreign exchange losses at the end of the year	124		
Subtotal (**add** lines 121 to 124)			B
Capital for the year (amount A **minus** amount B) (if negative, enter "0")	190	22,955,083	

Part 2 – Investment allowance

Add the carrying value at the end of the year of the following assets of the corporation:

A share of another corporation	401	
A loan or advance to another corporation (other than a financial institution)	402	3,411,000
A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution)	403	
Long-term debt of a financial institution	404	
A dividend payable on a share of the capital stock of another corporation	405	
A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim or similar obligation of, a partnership each member of which was, throughout the year, another corporation (other than a financial institution) that was not exempt from tax under this Part (otherwise than because of paragraph 181.1(3)(d)), or another partnership described in paragraph 181.2(4)(d.1)	406	
An interest in a partnership (see note 2 below)	407	
Investment allowance for the year (add lines 401 to 407)	490	3,411,000

Notes:

1. Lines 401 to 405 should not include the carrying value of a share of the capital stock of, a dividend payable by, or indebtedness of a corporation that is exempt from tax under Part I.3 (other than a non-resident corporation that at no time in the year carried on business in Canada through a permanent establishment).
2. Where the corporation has an interest in a partnership held either directly or indirectly through another partnership, refer to subsection 181.2(5) for additional rules regarding the carrying value of an interest in a partnership.
3. Where a trust is used as a conduit for loaning money from a corporation to another related corporation (other than a financial institution), the loan will be considered to have been made directly from the lending corporation to the borrowing corporation. Refer to subsection 181.2(6) for special rules that may apply.

Part 3 – Taxable capital

Capital for the year (line 190)		22,955,083	C
Deduct: Investment allowance for the year (line 490)		3,411,000	D
Taxable capital for the year (amount C **minus** amount D) (if negative, enter "0")	500	19,544,083	

Part 4 – Taxable capital employed in Canada

To be completed by a corporation that was resident in Canada at any time in the year

Taxable capital for the year (line 500) 19,544,083 x Taxable income earned in Canada **610** 29,747 / Taxable income 29,747 = **Taxable capital employed in Canada** **690** 19,544,083

Notes:
1. Regulation 8601 gives details on calculating the amount of taxable income earned in Canada.
2. Where a corporation's taxable income for a tax year is "0," it shall, for the purposes of the above calculation, be deemed to have a taxable income for that year of $1,000.
3. In the case of an airline corporation, Regulation 8601 should be considered when completing the above calculation.

To be completed by a corporation that was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada

Total of all amounts each of which is the carrying value at the end of the year of an asset of the corporation used in the year or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada . . . . **701** ______

Deduct the following amounts:

Corporation's indebtedness at the end of the year [other than indebtedness described in any of paragraphs 181.2(3)(c) to (f)] that may reasonably be regarded as relating to a business it carried on during the year through a permanent establishment in Canada . . . . **711** ______

Total of all amounts each of which is the carrying value at the end of year of an asset described in subsection 181.2(4) of the corporation that it used in the year, or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada . . . . **712** ______

Total of all amounts each of which is the carrying value at the end of year of an asset of the corporation that is a ship or aircraft the corporation operated in international traffic, or personal or movable property used or held by the corporation in carrying on any business during the year through a permanent establishment in Canada (see note below) . . . . **713** ______

Total deductions (**add** lines 711, 712, and 713) ______ ► ______ E

Taxable capital employed in Canada (line 701 **minus** amount E) (if negative, enter "0") . . . . **790** ______

Note: Complete line 713 only if the country in which the corporation is resident did not impose a capital tax for the year on similar assets, or a tax for the year on the income from the operation of a ship or aircraft in international traffic, of any corporation resident in Canada during the year.

Part 5 – Calculation for purposes of the small business deduction

This part is applicable to corporations that are not associated in the current year, but were associated in the prior year.

Taxable capital employed in Canada (amount from line 690) . . . . ______ F

Deduct: . . . . 10,000,000 G

Excess (amount F **minus** amount G) (if negative, enter "0") ______ H

Calculation for purposes of the small business deduction (amount H x 0.225%) . . . . ______ I

Enter this amount at line 415 of the T2 return.

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SCHEDULE 50

SHAREHOLDER INFORMATION

Name of corporation	Business Number	Tax year end Year Month Day
InnPower Corporation	89242 2817 RC0001	2018-12-31

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

	Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust)	Business Number (If a corporation is not registered, enter "NR")	Social insurance number	Trust number	Percentage common shares	Percentage preferred shares
		Provide only one number per shareholder				
	100	200	300	350	400	500
1	Town of Innisfil	12194 7188 RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

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Schedule 53

General Rate Income Pool (GRIP) Calculation

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2018-12-31

On: 2018-12-31

- If you are a Canadian-controlled private corporation (CCPC) or a deposit insurance corporation (DIC), use this schedule to determine the general rate income pool (GRIP).
- Credit unions are **not** required to complete this schedule.
- All legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- When an eligible dividend was paid in the tax year or there was a change in the GRIP balance, file a completed copy of this schedule with your T2 *Corporation Income Tax Return*. Do not send your worksheets with your return, but keep them in your records in case we ask to see them later.
- Subsection 89(1) defines the terms **eligible dividend**, **excessive eligible dividend designation**, **general rate income pool**, and **low rate income pool**.

Eligibility for the various additions

Answer the following questions to determine the corporation's eligibility for the various additions:

2006 addition

1. Is this the corporation's first taxation year that includes January 1, 2006? . . . . . ☐ Yes ☒ No
2. If not, what is the date of the taxation year end of the corporation's first year that includes January 1, 2006? Enter the date and go directly to question 4 2006-12-31
3. During that first year, was the corporation a CCPC or would it have been a CCPC if not for the election of subsection 89(11) ITA? . . . . . ☐ Yes ☐ No
   If the answer to question 3 is yes, complete Part "GRIP addition for 2006".

Change in the type of corporation

4. Was the corporation a CCPC during its preceding taxation year? . . . . . ☒ Yes ☐ No
5. Corporations that become a CCPC or a DIC . . . . . ☐ Yes ☒ No
   If the answer to question 5 is yes, complete Part 4.

Amalgamation (first year of filing after amalgamation)

6. Corporations that were formed as a result of an amalgamation . . . . . ☐ Yes ☒ No
   If the answer to question 6 is yes, answer questions 7 and 8. If the answer is no, go to question 9.
7. Was one or more of the predecessor corporations neither a CCPC nor a DIC? . . . . . ☐ Yes ☐ No
   If the answer to question 7 is yes, complete Part 4.
8. Was one or more of the predecessor corporation a CCPC or a DIC during the taxation year that ended immediately before amalgamation? . . . . . ☐ Yes ☐ No
   If the answer to question 8 is yes, complete Part 3.

Winding-up

9. Has the corporation wound-up a subsidiary in the preceding taxation year? . . . . . ☐ Yes ☒ No
   If the answer to question 9 is yes, answer questions 10 and 11. If the answer is no, go to Part 1.
10. Was the subsidiary neither a CCPC nor a DIC during its last taxation year? . . . . . ☐ Yes ☐ No
    If the answer to question 10 is yes, complete Part 4.
11. Was the subsidiary a CCPC or a DIC during its last taxation year? . . . . . ☐ Yes ☐ No
    If the answer to question 11 is yes, complete Part 3.

Part 1 – General rate income pool (GRIP)

GRIP at the end of the previous tax year			100		A
Taxable income for the year (DICs enter "0") *	110	29,747 B			
Amount on line 400, 405, 410, or 427 of the T2 return, whichever is less * 130					
For a CCPC, the lesser of aggregate investment income (line 440 of the T2 return) and taxable income * 140					
Subtotal (line 130 **plus** line 140) ▶		C			
Income taxable at the general corporate rate (amount B **minus** amount C) (if negative enter "0")	150	29,747			
After-tax income (line 150 **multiplied** by 0.72 (the general rate factor for the tax year))			190	21,418	D
Eligible dividends received in the tax year	200				
Dividends deductible under section 113 received in the tax year	210				
Subtotal (line 200 **plus** line 210)		▶			E
Becoming a CCPC (amount W5 in Part 4)	220				
Post-amalgamation (total of amounts E4 in Part 3 and amounts W5 in Part 4)	230				
Post-wind-up (total of amounts E4 in Part 3 and amounts W5 in Part 4)	240				
Subtotal (**add** lines 220, 230, and 240)	290	▶			F
Subtotal (**add** amounts A, D, E, and F)				21,418	G
Eligible dividends paid in the previous tax year	300				
Excessive eligible dividend designations made in the previous tax year	310				
(If becoming a CCPC (subsection 89(4) applies), enter "0" on lines 300 and 310.)					
Subtotal (line 300 **minus** line 310)		▶			H
GRIP before adjustment for specified future tax consequences (amount G **minus** amount H) (amount can be negative)			490	21,418	
Total GRIP adjustment for specified future tax consequences to previous tax years (amount N3 in Part 2)			560		
GRIP at the end of the tax year (line 490 **minus** line 560) Enter this amount on line 160 of Schedule 55.			590	21,418	

***** For lines 110, 130, and 140, the income amount is the amount before considering specified future tax consequences. This phrase is defined in subsection 248(1). It includes the deduction of a loss carryback from subsequent tax years, a reduction of Canadian exploration expenses and Canadian development expenses that were renounced in subsequent tax years (e.g., flow-through share renunciations), reversals of income inclusions where an option is exercised in subsequent tax years, and the effect of certain foreign tax credit adjustments.

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years

Complete this part if the corporation's taxable income of any of the previous three tax years took into account the specified future tax consequences defined in subsection 248(1) from the current tax year. Otherwise, enter "0" on line 560.

First previous tax year 2017-12-31

Taxable income before specified future tax consequences from the current tax year . . . . ______ A1

Enter the following amounts before specified future tax consequences from the current tax year:

Amount on line 400, 405, 410, or 427 of the T2 return, whichever is less . . . . ______ B1

Aggregate investment income (line 440 of the T2 return) 11,000 C1

Subtotal (amount B1 **plus** amount C1) 11,000 ▶ 11,000 D1

Subtotal (amount A1 **minus** amount D1) (if negative, enter "0") ______ ▶ ______ E1

Future tax consequences that occur for the current year

Amount carried back from the current year to a prior year

Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	Capital loss carry-back	Restricted farm loss carry-back	Farm loss carry-back	Other	Total carrybacks

Taxable income after specified future tax consequences . . . . ______ F1

Enter the following amounts after specified future tax consequences:

Amount on line 400, 405, 410, or 427 of the T2 return, whichever is less . . . . ______ G1

Aggregate investment income (line 440 of the T2 return) . . . . ______ H1

Subtotal (amount G1 **plus** amount H1) ______ ▶ ______ I1

Subtotal (amount F1 **minus** amount I1) (if negative, enter "0") ______ ▶ ______ J1

Subtotal (amount E1 **minus** amount J1) (if negative, enter "0") ______ K1

GRIP adjustment for specified future tax consequences to the first previous tax year
(amount K1 **multiplied** by 0.72) . . . . **500** ______

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years (continued)

Second previous tax year 2016-12-31

Taxable income before specified future tax consequences from the current tax year A2

Enter the following amounts before specified future tax consequences from the current tax year:

Amount on line 400, 405, 410, or 427 of the T2 return, whichever is less B2

Aggregate investment income (line 440 of the T2 return) C2

Subtotal (amount B2 **plus** amount C2) ▶ D2

Subtotal (amount A2 **minus** amount D2) (if negative, enter "0") ▶ E2

Future tax consequences that occur for the current year Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	**Capital loss carry-back**	**Restricted farm loss carry-back**	**Farm loss carry-back**	**Other**	**Total carrybacks**

Taxable income after specified future tax consequences F2

Enter the following amounts after specified future tax consequences:

Amount on line 400, 405, 410, or 427 of the T2 return, whichever is less G2

Aggregate investment income (line 440 of the T2 return) H2

Subtotal (amount G2 **plus** amount H2) ▶ I2

Subtotal (amount F2 **minus** amount I2) (if negative, enter "0") ▶ J2

Subtotal (amount E2 **minus** amount J2) (if negative, enter "0") K2

GRIP adjustment for specified future tax consequences to the second previous tax year
(amount K2 **multiplied** by 0.72) **520**

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years (continued)

Third previous tax year 2015-12-31

Taxable income before specified future tax consequences from the current tax year A3

Enter the following amounts before specified future tax consequences from the current tax year:

Amount on line 400, 405, 410, or 427 of the T2 return, whichever is less B3

Aggregate investment income (line 440 of the T2 return) C3

Subtotal (amount B3 **plus** amount C3) ▶ D3

Subtotal (amount A3 **minus** amount D3) (if negative, enter "0") ▶ E3

Future tax consequences that occur for the current year Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	**Capital loss carry-back**	**Restricted farm loss carry-back**	**Farm loss carry-back**	**Other**	**Total carrybacks**

Taxable income after specified future tax consequences F3

Enter the following amounts after specified future tax consequences:

Amount on line 400, 405, 410, or 427 of the T2 return, whichever is less G3

Aggregate investment income (line 440 of the T2 return) H3

Subtotal (amount G3 **plus** amount H3) ▶ I3

Subtotal (amount F3 **minus** amount I3) (if negative, enter "0") ▶ J3

Subtotal (amount E3 **minus** amount J3) (if negative, enter "0") K3

GRIP adjustment for specified future tax consequences to the third previous tax year
(amount K3 **multiplied by** 0.72) **540**

Total GRIP adjustment for specified future tax consequences to previous tax years:
(**add** lines 500, 520, and 540) (if negative, enter "0") L3

Enter amount L3 on line 560 in part 1.

Part 3 – Worksheet to calculate the GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was a CCPC or a DIC in its last tax year)

nb. 1 Post amalgamation . . . ☐ Post wind-up . . . . . . ☐

Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary corporation was a CCPC or a DIC in its last tax year. The last tax year for a predecessor corporation was its tax year that ended immediately before the amalgamation and for a subsidiary corporation was its tax year during which its assets were distributed to the parent on the wind-up.

Calculate the GRIP addition of a successor corporation following an amalgamation at the end of its first tax year.

Calculate the GRIP addition of a parent corporation upon wind-up at the end of the tax year that ends immediately after the tax year in which the parent has received the assets of the subsidiary.

In the calculation below, **corporation** means a predecessor or a subsidiary. Complete a separate worksheet for **each** predecessor and **each** subsidiary that was a CCPC or a DIC in its last tax year. Keep a copy of this calculation for your records, in case we ask to see it later.

Corporation's GRIP at the end of its last tax year				A4
Eligible dividends paid by the corporation in its last tax year		B4		
Excessive eligible dividend designations made by the corporation in its last tax year		C4		
Subtotal (amount B4 **minus** amount C4)			►	D4
GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was a CCPC or a DIC in its last tax year) (amount A4 **minus** amount D4)				E4

After you complete this calculation for each predecessor and each subsidiary, calculate the total of all the E4 amounts. Enter this total amount on:

- line 230 for post-amalgamation; or
- line 240 for post-wind-up.

Part 4 – Worksheet to calculate the GRIP addition post-amalgamation, post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year), or the corporation is becoming a CCPC

nb. 1 Corporation becoming a CCPC . . . . . . ☐ Post amalgamation . . . . ☐ Post wind-up . . . . ☐

Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary was not a CCPC or a DIC in its last tax year.The last tax year for a predecessor corporation was its tax year that ended immediately before the amalgamation and for a subsidiary corporation was its tax year during which its assets were distributed to the parent on the wind-up.

Calculate the GRIP addition of a successor corporation following an amalgamation at the end of its first tax year.

Calculate the GRIP addition of a parent corporation upon wind-up at the end of the tax year that ends immediately after the tax year in which the parent has received the assets of the subsidiary.

In the calculation below, **corporation** means a predecessor or a subsidiary. Complete a separate worksheet for **each** predecessor and **each** subsidiary that was a CCPC or a DIC in its last year. Keep a copy of this calculation for your records, in case we ask to see it later.

Cost amount to the corporation of all property immediately before the end of its previous/last tax year . . . . ______ A5

The corporation's money on hand immediately before the end of its previous/last tax year . . . . ______ B5

Total of subsection 111(1) losses that would have been deductible in calculating the corporation's taxable income for the previous/last tax year if the corporation had had unlimited income from each business carried on and each property held and had realized an unlimited amount of capital gains for the previous/last tax year:

Non-capital losses . . . . ______ C5

Net capital losses . . . . ______ D5

Farm losses . . . . ______ E5

Restricted farm losses . . . . ______ F5

Limited partnership losses . . . . ______ G5

Subtotal (**add** amounts C5 to G5) ______ ► ______ H5

Total of all amounts deducted under subsection 111(1) in calculating the corporation's taxable income for the previous/last tax year:

Non-capital losses . . . . ______ I5

Net capital losses . . . . ______ J5

Farm losses . . . . ______ K5

Restricted farm losses . . . . ______ L5

Limited partnership losses . . . . ______ M5

Subtotal (**add** amounts I5 to M5) ______ ► ______ N5

Unused and unexpired losses at the end of the corporation's previous/last tax year (amount H5 **minus** amount N5) ______ ► ______ O5

Subtotal (**add** amounts A5, B5, and O5) ______ P5

All the corporation's debts and other obligations to pay that were outstanding immediately before the end of its previous/last tax year . . . . ______ Q5

Paid-up capital of all the corporation's issued and outstanding shares of capital stock immediately before the end of its previous/last tax year . . . . ______ R5

All the corporation's reserves deducted in its previous/last tax year . . . . ______ S5

The corporation's capital dividend account immediately before the end of its previous/last tax year . . . . ______ T5

The corporation's low rate income pool immediately before the end of its previous/last tax year . . . . ______ U5

Subtotal (**add** amounts Q5 to U5) ______ ► ______ V5

GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year), or the corporation is becoming a CCPC (amount P5 **minus** amount V5) (if negative, enter "0") . . . . ______ W5

After you complete this worksheet for each predecessor and each subsidiary, calculate the total of all the W5 amounts. Enter this total amount on:

- line 220 for a corporation becoming a CCPC;
- line 230 for post-amalgamation; or
- line 240 for post-wind-up.

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Schedule 500

Ontario Corporation Tax Calculation

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2018-12-31

- Use this schedule if the corporation had a permanent establishment, under section 400 of the federal Income Tax Regulations, in Ontario at any time in the tax year and had Ontario taxable income in the year.
- Legislative references are to the federal Income Tax Act and Income Tax Regulations.
- This schedule is a worksheet only and is not required to be filed with your T2 Corporation Income Tax Return.

Part 1 – Ontario basic income tax

Ontario taxable income *	29,747	A
Ontario basic rate of tax for the year	11.5 %	B
Ontario basic income tax (amount A **multiplied** by amount B **)	3,421	C

* If the corporation has a permanent establishment only in Ontario, enter the amount from line 360 or amount Z, whichever applies, of the T2 return. Otherwise, enter the taxable income allocated to Ontario from column F in Part 1 of Schedule 5.

** If the corporation has a permanent establishment in more than one jurisdiction, or is claiming an Ontario tax credit in addition to Ontario basic income tax, or has Ontario corporate minimum tax or Ontario special additional tax on life insurance corporations payable, enter amount C on line 270 of Schedule 5, Tax Calculation Supplementary – Corporations. Otherwise, enter it on line 760 of the T2 return.

Part 2 – Ontario small business deduction (OSBD)

Complete this part if the corporation claimed the federal small business deduction under subsection 125(1).

Amount from line 400 of the T2 return	2,151,644	1		
Amount from line 405 of the T2 return	29,747	2		
Amount from line 427 of the T2 return (note)		3		
Enter the least of amounts 1, 2 or 3		▶		D

Ontario domestic factor (ODF): Taxable income for Ontario * / Taxable income for all provinces ** = 29,747.00 / 29,747 = 1.00000 E

Amount D **multiplied** by amount E		4		
Ontario taxable income (amount A from Part 1)	29,747	5		
Ontario small business income (lesser of amount 4 or amount 5)		▶		F

Ontario small business deduction rate for the year

Number of days in the tax year before January 1, 2018 / Number of days in the tax year 365 x 7 % = % G1

Number of days in the tax year after December 31, 2017 365 / Number of days in the tax year 365 x 8 % = 8.00000 % G2

OSBD rate for the year (rate G1 **plus** rate G2) 8.00000 % ▶ 8.00000 % G

Ontario small business deduction (amount F **multiplied** by rate G) H

Enter amount H on line 402 of Schedule 5.

* Enter amount A from Part 1.

** Includes the territories and the offshore jurisdictions for Nova Scotia and Newfoundland and Labrador.

Note: On November 15, 2018, the Government of Ontario announced, in Bill 57, that the reduction in the business limit relating to the amount of passive investment income for taxation years starting after December 31, 2018, will not be applied when calculating the Ontario small business deduction. As a result, the calculation on line 3 does not take the amount on line G of Schedule 200 (Jump Code: **J**) into account.

Part 3 – Ontario adjusted small business income

Complete this part if the corporation was a Canadian-controlled private corporation throughout the tax year and is claiming the Ontario tax credit for manufacturing and processing or the Ontario credit union tax reduction.

Ontario adjusted small business income (lesser of amount D and amount 5) I

Enter amount I at amount K in Part 4 of this schedule or at amount B in Part 2 of Schedule 502, Ontario Tax Credit for Manufacturing and Processing, whichever applies.

Part 4 – Credit union tax reduction

Complete this part and Schedule 17, Credit Union Deductions, if the corporation was a credit union throughout the tax year.

Amount 2H from Schedule 17 . . . . J

Ontario adjusted small business income (amount I) . . . . K

Subtotal (amount J **minus** amount K, if negative, enter "0") L

Amount L **multiplied** by amount G . . . . M

Ontario domestic factor (amount E) . . . . 1.00000 N

Ontario credit union tax reduction (amount M **multiplied** by amount N) . . . . O

Enter amount O on line 410 of Schedule 5.

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Schedule 508

Ontario Research and Development Tax Credit

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2018-12-31

- Use this schedule to:
  - calculate an Ontario research and development tax credit (ORDTC);
  - claim an ORDTC earned in the tax year or carried forward from any of the 20 previous tax years that are a tax year ending after December 31, 2008, to reduce Ontario corporate income tax payable in the current tax year;
  - carry back an ORDTC earned in the tax year to reduce Ontario corporate income tax payable in any of the three previous tax years;
  - add an ORDTC that was allocated to the corporation by a partnership of which it was a member;
  - add an ORDTC transferred after an amalgamation or windup; or
  - calculate a recapture of the ORDTC.
- The ORDTC is a non-refundable tax credit on eligible expenditures incurred by a corporation in a tax year. The ORDTC rate is:
  - 4.5% for tax years that end before June 1, 2016;
  - 3.5% for tax years that start after May 31, 2016; and
  - prorated for a tax year that ends on or after June 1, 2016, and includes May 31, 2016.
- An eligible expenditure is an expenditure for a permanent establishment in Ontario of a corporation, that is a qualified expenditure for the purposes of section 127 of the federal *Income Tax Act* for scientific research and experimental development (SR&ED) carried on in Ontario.
- Only corporations that are not exempt from Ontario corporate income tax and none of whose income is exempt income can claim the ORDTC.
- Complete and attach this schedule to the *T2 Corporation Income Tax Return* for the tax year.
- To claim this credit, you must also send in completed copies of the Form T661, *Scientific Research and Experimental Development (SR&ED) Expenditures Claim*, and the Schedule 31, *Investment Tax Credit - Corporations*, within 18 months of the tax year end.

Part 1 – Ontario SR&ED expenditure pool

Total eligible expenditures incurred by the corporation in Ontario in the tax year	100	292,367 A		
Government assistance, non-government assistance, or a contract payment for eligible expenditures	105	4,839 B		
Net eligible expenditures for the tax year (amount A **minus** amount B) (if negative, enter "0")		287,528 C		
Eligible expenditures transferred to the corporation by another corporation	110	D		
Subtotal (amount C **plus** amount D)		287,528	▶	287,528 E
Eligible expenditures the corporation transferred to another corporation			115	F
Ontario SR&ED expenditure pool (amount E **minus** amount F) (if negative, enter "0")			120	287,528 G

Part 2 – Eligible repayments

The repayment of the ORDTC is calculated using the ORDTC rate that you used to determine your tax credit at the time your eligible expenditures were reduced because of the government or non-government assistance, or contract payments. Enter the amount of the repayment on the line that corresponds to the appropriate rate.

Repayments for tax years that end before June 1, 2016 . . . . **210** ________ x 4.5 % = **215** ________ H

Repayment for a tax year that ends on or after June 1, 2016 and includes May 31, 2016. Complete the proration calculation below.

Number of days in the tax year before June 1, 2016 **240** 152 / Number of days in the tax year **241** 366 x 4.5 % = 1.8689 % 1

Number of days in the tax year after May 31, 2016 **242** 214 / Number of days in the tax year **243** 366 x 3.5 % = 2.0464 % 2

Subtotal (percentage 1 **plus** percentage 2) 3.9153 % 3

Repayments for a tax year that ends on or after June 1, 2016 and includes May 31, 2016 . . . . . . **211** ________ x percentage 3 3.9153 % = **216** ________ I

Part 2 – Eligible repayments (continued)

Repayments for tax years that start after May 31, 2016	212		x 3.5 %	= 217		J
Repayments made in the tax year of government or non-government assistance or contract payments that reduced eligible expenditures for first term or second term shared-use equipment acquired before 2014	220	x 1 / 4 =	x 4.5 %	= 225		K
Eligible repayments (total of amounts H to K)				229		L

Part 3 – Calculation of the current part of the ORDTC

For tax years that end before June 1, 2016

Ontario SR&ED expenditure pool (amount G in Part 1)		x 4.5 %	= 200		M
ORDTC allocated to the corporation by a partnership of which it is a member (other than a specified member) for a fiscal period that ends in the corporation's tax year *			205		N
Eligible repayments (amount L in Part 2)					O
Current part of the ORDTC for tax years that end before June 1, 2016 (total of amounts M to O)			230		P

For a tax year that ends on or after June 1, 2016, and includes May 31, 2016

$\frac{\text{Number of days in the tax year before June 1, 2016}}{\text{Number of days in the tax year}}$ ______ x 4.5 % = ______ % 4

$\frac{\text{Number of days in the tax year after May 31, 2016}}{\text{Number of days in the tax year}}$ ______ x 3.5 % = ______ % 5

Subtotal (percentage 4 **plus** percentage 5) ______ % 6

Ontario SR&ED expenditure pool (amount G in Part 1)		x percentage 6 ______ %	= 201		Q
ORDTC allocated to the corporation by a partnership of which it is a member (other than a specified member) for a fiscal period that ends in the corporation's tax year *			206		R
Eligible repayments (amount L in Part 2)					S
Part of the ORDTC for a tax year that ends on or after June 1, 2016, and includes May 31, 2016 (total of amounts Q to S)			231		T

For tax years that start after May 31, 2016

Ontario SR&ED expenditure pool (amount G in Part 1)	287,528	x 3.5 %	= 202	10,063	U
ORDTC allocated to the corporation by a partnership of which it is a member (other than a specified member) for a fiscal period that ends in the corporation's tax year *			207		V
Eligible repayments (amount L in Part 2)					W
The ORDTC for tax years that start after May 31, 2016 (total of amounts U to W)			232	10,063	X

* If there is a disposal or change of use of eligible property, see Part 7 on page 4.

Part 4 – Calculation of ORDTC available for deduction and ORDTC balance

ORDTC balance at the end of the previous tax year				Y
ORDTC expired after 20 tax years	300			Z
ORDTC at the beginning of the tax year (amount Y **minus** amount Z)	305			AA
ORDTC transferred to the corporation on amalgamation or windup	310			BB
Current part of ORDTC (amount P, T or X in Part 3 whichever applies)		10,063 CC		

Are you waiving all or part of the current part of the ORDTC? 315 Yes 1 ☐ No 2 ☒

If you answered **yes** at line 315, enter the amount of the tax credit waived on line 320.

If you answered **no** at line 315, enter "0" on line 320.

Waiver of the current part of the ORDTC	320	DD		
Subtotal (amount CC **minus** amount DD)		10,063 ▶	10,063 EE	
ORDTC available for deduction (total of amounts AA, BB and EE)			10,063 ▶	10,063 FF
ORDTC claimed ** (Enter amount GG on line 416 on page 5 of Schedule 5, *Tax Calculation Supplementary – Corporations*)			3,421 GG	
ORDTC carried back to previous tax years (from Part 5)			HH	
Subtotal (amount GG **plus** amount HH)			3,421 ▶	3,421 II
ORDTC balance at the end of the tax year (amount FF **minus** amount II)			325	6,642 JJ

** This amount cannot be more than the lesser of the following amounts:
- ORDTC available for deduction (amount FF); or
- Ontario corporate income tax payable before the ORDTC and the Ontario corporate minimum tax credit (amount from line E6 on page 5 of Schedule 5).

Part 5 – Request for carryback of tax credit

	Year Month Day			
1st previous tax year	2017-12-31	Credit to be applied	901	
2nd previous tax year	2016-12-31	Credit to be applied	902	
3rd previous tax year	2015-12-31	Credit to be applied	903	

Total (total of amount 901 to 903)(enter at amount HH in Part 4)

Part 6 – Analysis of tax credit available for carryforward by tax year of origin

You can complete this part to show all the credits from previous tax years available for carryforward, by year of origin. This will help you determine the amount of credit that could expire in following years.

Tax year of origin (earliest tax year first) Year/Month/Day	Credit available
2001-12-31	
2002-12-31	
2003-12-31	
2004-12-31	
2005-12-31	
2006-12-31	
2007-12-31	

	Tax year of origin (earliest tax year first) Year/Month/Day	Credit available
	2008-12-31	
	2009-12-31	
	2010-12-31	
	2011-12-31	
	2012-12-31	
	2013-12-31	
	2014-12-31	
	2015-12-31	
	2016-12-31	
	2017-12-31	
Current tax year	2018-12-31	6,642

Total (equals line 325 in Part 4) 6,642

The amount available from the 20th previous tax year will expire after this year. When you file your return for the next year, you will enter the expired amount on line 300 of Schedule 508 for that year.

Part 7 – Calculation of a recapture of ORDTC

You will have a recapture of ORDTC in a tax year when you meet **all** of the following conditions:

- you acquired a particular property in the current year or in any of the 20 previous tax years if the ORDTC was earned in a tax year ending after 2008;
- you claimed the cost of the property as an eligible expenditure for the ORDTC;
- the cost of the property was included in computing your ORDTC or was subject to an agreement made under subsection 127(13) of the federal Act to transfer qualified expenditures and section 42 of the *Taxation Act, 2007* (Ontario) applied; and
- you disposed of the property or converted it to commercial use in a tax year ending after December 31, 2008. You also meet this condition if you disposed of or converted to commercial use a property which incorporates the particular property previously referred to.

  Note: The recapture **does not apply** if you disposed of the property to a non-arm's length purchaser who intended to use it all or substantially all for SR&ED in Ontario. When the non-arm's length purchaser later sells or converts the property to commercial use, the recapture rules will apply to the purchaser based on the historical federal investment tax credit (ITC) rate ******* of the original user in Calculation 1 below.

You have to report the recapture on Schedule 5 for the year in which you disposed of the property or converted it to commercial use. If the corporation is a member of a partnership, report its share of the recapture.

Complete the columns for each disposition for which a recapture applies, using the calculation formats below.

*** Federal ITC in calculations 1 and 2 should be determined without reference to paragraph (e) of the definition **investment tax credit** in subsection 127(9) of the federal Act.

Calculation 1 – Complete this part If you meet all of the above conditions

	KK Amount of federal ITC you originally calculated for the property you acquired, or the original user's federal ITC where you acquired the property from a non-arm's length party, as described in the note above 700	LL Amount calculated using the federal ITC rate at the date of acquisition (or the original user's date of acquisition) on either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value of the property (in any other case) 710	MM Amount from column 700 or 710, whichever is less
1.			

Total of column MM (enter at amount WW in Part 8) NN

Part 7 – Calculation of a recapture of ORDTC (continued)

Calculation 2 – If the corporation is deemed by subsection 42(1) of the *Taxation Act, 2007* (Ontario) to have transferred all or part of the eligible expenditure to another corporation as a consequence of an agreement described in subsection 127(13) of the federal Act complete Calculation 2. Otherwise, enter nil on line SS.

	OO Rate percentage that the transferee used to determine its federal ITC for qualified expenditure that was transferred under an agreement under subsection 127(13) of the federal Act 720	PP Proceeds of disposition of the property if you dispose of it to a person at arm's length; or, in any other case, the fair market value of the property at conversion or disposition 730	QQ Amount, if any, already provided for in Calculation 1 (this allows for the situation where only part of the cost of a property is transferred for an agreement under subsection 127(13) of the federal Act) 740
1.			

	RR Amount determined by the formula (OO x PP) - QQ (using the columns above)	SS Federal ITC earned by the transferee for the qualified expenditure that was transferred 750	TT Amount from column RR or SS, whichever is less
1.			

Total of column TT (enter at amount XX in Part 8) ______ UU

Calculation 3

As a member of a partnership, you will report your share of the ORDTC of the partnership after the ORDTC has been reduced by the amount of the recapture. If this is a positive amount, you will report it on line 205, 206, or 207 in Part 3, whichever applies. However, if the partnership does not have enough ORDTC otherwise available to offset the recapture, then the amount by which reductions to the ORDTC exceeds additions (the excess) will be determined and reported on line VV.

Corporate partner's share of the excess of ORDTC (enter at amount ZZ in Part 8) . . . . **760** ______ VV

Part 8 – Total recapture of ORDTC

Recaptured federal ITC for Calculation 1 (amount NN from Part 7) . . . . ______ WW

Recaptured federal ITC for Calculation 2 (amount UU from Part 7) . . . . ______ XX

Amount WW **plus** amount XX . . . . ______ x 23.56 % = ______ YY

Corporate partner's share of the excess of ORDTC for Calculation 3 (amount VV from Part 7) . . . . ______ ZZ

Recapture of ORDTC (amount YY **plus** amount ZZ) (enter amount AAA on line 277 on page 5 of Schedule 5) . . . . ______ AAA

Schedule A - Worksheet for eligible expenditures incurred by the corporation in Ontario for the current taxation year

This worksheet allows you to report the amount of eligible expenditures entered on Form T661, *Scientific Research and Experimental Development (SR&ED) Expenditures Claim* which represents eligible expenditures as defined in section 127 of the *Income Tax Act* (ITA) with regard to scientific research and experimental development (SR&ED) **carried on in Ontario and attributable to a permanent establishment in Ontario of a corporation**.

Data on the worksheet is calculated based on the amounts on Form T661, but will have to be adjusted according to the rules of Ontario, if applicable, in particular when the corporation has had a permanent establishment in more than one jurisdiction. This data will be used when calculating Schedule 508 and Schedule 566.

Enter the breakdown between current and capital expenditures

		Current Expenditures			Capital Expenditures	
Total expenditures for SR&ED		200,598				
Add						
• payment of prior years' unpaid expenses (other than salary or wages)	+					
• prescribed proxy amount (Enter "0" if you use the traditional method)	+	96,337				
• expenditures on shared-use equipment				+		
• other additions	+			+		
Subtotal	=	296,935		=		
Less						
• current expenditures (other than salary or wages) not paid within 180 days of the tax year end	–					
• amounts paid in respect of an SR&ED contract to a person or partnership that is not taxable supplier	–					
• 20% of contract expenditures for SR&ED performed on your behalf	–	4,568				
• prescribed expenditures not allowed by regulations	–			–		
• other deductions	–			–		
• non-arm's length transactions						
– expenditures for non-arm's length SR&ED contracts	–					
– purchases (limited to costs) of goods and services from non-arm's length suppliers	–			–		
Subtotal	=	292,367	I	=		II
Total eligible expenditures incurred by the corporation in Ontario in the tax year (add amount I and II)				=	292,367	III

Enter amount III on line 100 of Schedule 508.

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Schedule 510

Ontario Corporate Minimum Tax

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2018-12-31

- File this schedule if the corporation is subject to Ontario corporate minimum tax (CMT). CMT is levied under section 55 of the *Taxation Act, 2007* (Ontario), referred to as the "Ontario Act".
- Complete Part 1 to determine if the corporation is subject to CMT for the tax year.
- A corporation not subject to CMT in the tax year is still required to file this schedule if it is deducting a CMT credit, has a CMT credit carryforward, or has a CMT loss carryforward or a current year CMT loss.
- A corporation that has Ontario special additional tax on life insurance corporations (SAT) payable in the tax year must complete Part 4 of this schedule even if it is not subject to CMT for the tax year.
- A corporation is exempt from CMT if, throughout the tax year, it was one of the following:
  1) a corporation exempt from income tax under section 149 of the federal *Income Tax Act*;
  2) a mortgage investment corporation under subsection 130.1(6) of the federal Act;
  3) a deposit insurance corporation under subsection 137.1(5) of the federal Act;
  4) a congregation or business agency to which section 143 of the federal Act applies;
  5) an investment corporation as referred to in subsection 130(3) of the federal Act; or
  6) a mutual fund corporation under subsection 131(8) of the federal Act.
- File this schedule with the *T2 Corporation Income Tax Return*.

Part 1 – Determination of CMT applicability

Total assets of the corporation at the end of the tax year *	112	85,574,000
Share of total assets from partnership(s) and joint venture(s) *	114	
Total assets of associated corporations (amount from line 450 on Schedule 511)	116	313,389,194
Total assets (total of lines 112 to 116)		398,963,194
Total revenue of the corporation for the tax year **	142	43,161,000
Share of total revenue from partnership(s) and joint venture(s) **	144	
Total revenue of associated corporations (amount from line 550 on Schedule 511)	146	116,466,146
Total revenue (total of lines 142 to 146)		159,627,146

The corporation is subject to CMT if:
- for tax years ending before July 1, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are more than $5,000,000, or the total revenue for the year of the corporation or the associated group of corporations is more than $10,000,000.
- for tax years ending after June 30, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are equal to or more than $50,000,000, and the total revenue for the year of the corporation or the associated group of corporations is equal to or more than $100,000,000.

If the corporation is not subject to CMT, do not complete the remaining parts unless the corporation is deducting a CMT credit, or has a CMT credit carryforward, a CMT loss carryforward, a current year CMT loss, or SAT payable in the year.

* **Rules for total assets**
- Report total assets according to generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- Do not include unrealized gains and losses on assets and foreign currency gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.
- The amount on line 114 is determined at the end of the last fiscal period of the partnership or joint venture that ends in the tax year of the corporation. Add the proportionate share of the assets of the partnership(s) and joint venture(s), and deduct the recorded asset(s) for the investment in partnerships and joint ventures.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were $1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

** **Rules for total revenue**
- Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- If the tax year is less than 51 weeks, **multiply** the total revenue of the corporation or the partnership, whichever applies, by 365 and **divide** by the number of days in the tax year.
- The amount on line 144 is determined for the partnership or joint venture fiscal period that ends in the tax year of the corporation. If the partnership or joint venture has 2 or more fiscal periods ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were $1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

Part 2 – Adjusted net income/loss for CMT purposes

	Line	Amount		Line	Amount	
Net income/loss per financial statements *				210	2,420,000	
Add (to the extent reflected in income/loss):						
Provision for current income taxes/cost of current income taxes	220	226,000				
Provision for deferred income taxes (debits)/cost of future income taxes	222	513,000				
Equity losses from corporations	224					
Financial statement loss from partnerships and joint ventures	226					
Dividends deducted on financial statements (subsection 57(2) of the Ontario Act), excluding dividends paid by credit unions under subsection 137(4.1) of the federal Act	230					
Other additions (see note below):						
Share of adjusted net income of partnerships and joint ventures **	228					
Total patronage dividends received, not already included in net income/loss	232					
281	282					
283	284					
Subtotal		739,000	▶		739,000	A
Deduct (to the extent reflected in income/loss):						
Provision for recovery of current income taxes/benefit of current income taxes	320					
Provision for deferred income taxes (credits)/benefit of future income taxes	322					
Equity income from corporations	324					
Financial statement income from partnerships and joint ventures	326					
Dividends deductible under section 112, section 113, or subsection 138(6) of the federal Act	330					
Dividends not taxable under section 83 of the federal Act (from Schedule 3)	332					
Gain on donation of listed security or ecological gift	340					
Accounting gain on transfer of property to a corporation under section 85 or 85.1 of the federal Act ***	342					
Accounting gain on transfer of property to/from a partnership under section 85 or 97 of the federal Act ****	344					
Accounting gain on disposition of property under subsection 13(4), subsection 14(6), or section 44 of the federal Act *****	346					
Accounting gain on a windup under subsection 88(1) of the federal Act or an amalgamation under section 87 of the federal Act	348					
Other deductions (see note below):						
Share of adjusted net loss of partnerships and joint ventures **	328					
Tax payable on dividends under subsection 191.1(1) of the federal Act **multiplied** by 3	334					
Interest deducted/deductible under paragraph 20(1)(c) or (d) of the federal Act, not already included in net income/loss	336					
Patronage dividends paid (from Schedule 16) not already included in net income/loss	338					
381 2018 Tax Movement in Reg Accounts	382	513,000				
383	384					
385	386					
387	388					
389	390					
Subtotal		513,000	▶		513,000	B
Adjusted net income/loss for CMT purposes (line 210 **plus** amount A **minus** amount B)				490	2,646,000	

If the amount on line 490 is positive and the corporation is subject to CMT as determined in Part 1, enter the amount on line 515 in Part 3.

If the amount on line 490 is negative, enter the amount on line 760 in Part 7 (enter as a positive amount).

Note

In accordance with *Ontario Regulation 37/09*, when calculating net income for CMT purposes, accounting income should be adjusted to:

– exclude unrealized gains and losses due to mark-to-market changes or foreign currency changes on specified mark-to-market property (assets only);
– include realized gains and losses on the disposition of specified mark-to-market property not already included in the accounting income, if the property is not a capital property or is a capital property disposed in the year or in a previous tax year ended after March 22, 2007.

"Specified mark-to-market property" is defined in subsection 54(1) of the Ontario Act.

These rules also apply to partnerships. A corporate partner's share of a partnership's adjusted income flows through on a proportionate basis to the corporate partner.

* **Rules for net income/loss**

– Banks must report net income/loss as per the report accepted by the Superintendent of Financial Institutions under the federal *Bank Act*, adjusted so consolidation and equity methods are not used.

Part 2 – Calculation of adjusted net income/loss for CMT purposes (continued)

– Life insurance corporations must report net income/loss as per the report accepted by the federal Superintendent of Financial Institutions or equivalent provincial insurance regulator, before SAT and adjusted so consolidation and equity methods are not used. If the life insurance corporation is resident in Canada and carries on business in and outside of Canada, **multiply** the net income/loss by the ratio of the Canadian reserve liabilities **divided** by the total reserve liability. The reserve liabilities are calculated in accordance with Regulation 2405(3) of the federal Act.

– Other corporations must report net income/loss in accordance with generally accepted accounting principles, except that consolidation and equity methods must not be used. When the equity method has been used for accounting purposes, equity losses and equity income are removed from book income/loss on lines 224 and 324 respectively.

– Corporations, other than insurance corporations, should report net income from line 9999 of the GIFI (Schedule 125) on line 210.

** The share of the adjusted net income of a partnership or joint venture is calculated as if the partnership or joint venture were a corporation and the tax year of the partnership or joint venture were its fiscal period. For a corporation with an indirect interest in a partnership through one or more partnerships, determine the corporation's share according to clause 54(5)(c) of the Ontario Act.

*** A joint election will be considered made under subsection 60(1) of the Ontario Act if there is an entry on line 342, and an election has been made for transfer of property to a corporation under subsection 85(1) of the federal Act.

**** A joint election will be considered made under subsection 60(2) of the Ontario Act if there is an entry on line 344, and an election has been made under subsection 85(2) or 97(2) of the federal Act.

***** A joint election will be considered made under subsection 61(1) of the Ontario Act if there is an entry on line 346, and an election has been made under subsection 13(4) or 14(6) and/or section 44 of the federal Act.

For more information on how to complete this part, see the *T2 Corporation – Income Tax Guide*.

Part 3 – CMT payable

Adjusted net income for CMT purposes (line 490 in Part 2, if positive)	515		2,646,000	
Deduct:				
CMT loss available (amount R from Part 7)				
Minus: Adjustment for an acquisition of control *	518			
Adjusted CMT loss available		▶		C
Net income subject to CMT calculation (if negative, enter "0")	520		2,646,000	

Amount from line 520	2,646,000	x	Number of days in the tax year before July 1, 2010 / Number of days in the tax year	/ 365	x	4 % =		1
Amount from line 520	2,646,000	x	Number of days in the tax year after June 30, 2010 / Number of days in the tax year	365 / 365	x	2.7 % =	71,442	2
			Subtotal (amount 1 **plus** amount 2)				71,442	3

Gross CMT: amount on line 3 above x OAF **	540	71,442	
Deduct:			
Foreign tax credit for CMT purposes ***	550		
CMT after foreign tax credit deduction (line 540 **minus** line 550) (if negative, enter "0")		71,442	D
Deduct:			
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)			
Net CMT payable (if negative, enter "0")		71,442	E

Enter amount E on line 278 of Schedule 5, *Tax Calculation Supplementary – Corporations*, and complete Part 4.

* Enter the portion of CMT loss available that exceeds the adjusted net income for the tax year from carrying on a business before the acquisition of control. See subsection 58(3) of the Ontario Act.

*** Enter "0" on line 550 for life insurance corporations as they are not eligible for this deduction. For all other corporations, enter the cumulative total of amount J for the province of Ontario from Part 9 of Schedule 21 on line 550.

** **Calculation of the Ontario allocation factor (OAF):**

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "Ontario," enter "1" on line F.

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "multiple," complete the following calculation, and enter the result on line F:

Ontario taxable income **** / Taxable income ***** = ______

Ontario allocation factor . . . . . 1.00000 F

**** Enter the amount allocated to Ontario from column F in Part 1 of Schedule 5. If the taxable income is nil, calculate the amount in column F as if the taxable income were $1,000.

*****Enter the taxable income amount from line 360 or amount Z of the T2 return, whichever applies. If the taxable income is nil, enter "1,000".

Part 4 – Calculation of CMT credit carryforward

CMT credit carryforward at the end of the previous tax year *			G		
Deduct:					
CMT credit expired *	600				
CMT credit carryforward at the beginning of the current tax year * (see note below)			▶	620	
Add:					
CMT credit carryforward balances transferred on an amalgamation or the windup of a subsidiary (see note below)				650	
CMT credit available for the tax year (amount on line 620 **plus** amount on line 650)					H
Deduct:					
CMT credit deducted in the current tax year (amount P from Part 5)					I
Subtotal (amount H **minus** amount I)					J
Add:					
Net CMT payable (amount E from Part 3)		71,442			
SAT payable (amount O from Part 6 of Schedule 512)					
Subtotal		71,442	▶	71,442	K
CMT credit carryforward at the end of the tax year (amount J **plus** amount K)			670	71,442	L

* For the first harmonized T2 return filed with a tax year that includes days in 2009:
- do not enter an amount on line G or line 600;
- for line 620, enter the amount from line 2336 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line G the amount from line 670 of Schedule 510 from the previous tax year.

Note: If you entered an amount on line 620 or line 650, complete Part 6.

Part 5 – Calculation of CMT credit deducted from Ontario corporate income tax payable

CMT credit available for the tax year (amount H from Part 4)					M
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)			1		
For a corporation that is not a life insurance corporation:					
CMT after foreign tax credit deduction (amount D from Part 3)	71,442	2			
For a life insurance corporation:					
Gross CMT (line 540 from Part 3)		3			
Gross SAT (line 460 from Part 6 of Schedule 512)		4			
The **greater** of amounts 3 and 4		5			
Deduct: line 2 or line 5, whichever applies:		71,442	6		
Subtotal (if negative, enter "0")			▶		N
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)					
Deduct:					
Total refundable tax credits excluding Ontario qualifying environmental trust tax credit (amount J6 **minus** line 450 from Schedule 5)		24,576			
Subtotal (if negative, enter "0")			▶		O
CMT credit deducted in the current tax year (least of amounts M, N, and O)					P

Enter amount P on line 418 of Schedule 5 and on line I in Part 4 of this schedule.

Is the corporation claiming a CMT credit earned before an acquisition of control? 675 1 Yes ☐ 2 No ☒

If you answered **yes** to the question at line 675, the CMT credit deducted in the current tax year may be restricted. For information on how the deduction may be restricted, see subsections 53(6) and (7) of the Ontario Act.

Part 6 – Analysis of CMT credit available for carryforward by year of origin

Complete this part if:
- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	CMT credit balance *
10th previous tax year	680
9th previous tax year	681
8th previous tax year	682
7th previous tax year	683
6th previous tax year	684
5th previous tax year	685
4th previous tax year	686
3rd previous tax year	687
2nd previous tax year	688
1st previous tax year	689
Total **	

* CMT credit that was earned (by the corporation, predecessors of the corporation, and subsidiaries wound up into the corporation) in each of the previous 10 tax years and has not been deducted.

** Must equal the total of the amounts entered on lines 620 and 650 in Part 4.

Part 7 – Calculation of CMT loss carryforward

CMT loss carryforward at the end of the previous tax year * . . . . ______ Q

Deduct:

CMT loss expired * . . . . 700 ______

CMT loss carryforward at the beginning of the tax year * (see note below) . . . . ______ ► 720 ______

Add:

CMT loss transferred on an amalgamation under section 87 of the federal Act ** (see note below) . . . . 750 ______

CMT loss available (line 720 **plus** line 750) . . . . ______ R

Deduct:

CMT loss deducted against adjusted net income for the tax year (lesser of line 490 (if positive) and line C in Part 3) . . . . ______

Subtotal (if negative, enter "0") ______ S

Add:

Adjusted net loss for CMT purposes (amount from line 490 in Part 2, if **negative**) (enter as a positive amount) . . . . 760 ______

CMT loss carryforward balance at the end of the tax year (amount S **plus** line 760) . . . . 770 ______ T

* For the first harmonized T2 return filed with a tax year that includes days in 2009:
- do not enter an amount on line Q or line 700;
- for line 720, enter the amount from line 2214 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line Q the amount from line 770 of Schedule 510 from the previous tax year.

** Do not include an amount from a predecessor corporation if it was controlled at any time before the amalgamation by any of the other predecessor corporations.

Note: If you entered an amount on line 720 or line 750, complete Part 8.

Part 8 – Analysis of CMT loss available for carryforward by year of origin

Complete this part if:

- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	Balance earned in a tax year ending before March 23, 2007 *	Balance earned in a tax year ending after March 22, 2007 **
10th previous tax year	810	820
9th previous tax year	811	821
8th previous tax year	812	822
7th previous tax year	813	823
6th previous tax year	814	824
5th previous tax year	815	825
4th previous tax year	816	826
3rd previous tax year	817	827
2nd previous tax year	818	828
1st previous tax year		829
Total ***		

* Adjusted net loss for CMT purposes that was earned (by the corporation, by subsidiaries wound up into or amalgamated with the corporation before March 22, 2007, and by other predecessors of the corporation) in each of the previous 10 tax years that ended before March 23, 2007, and has not been deducted.

** Adjusted net loss for CMT purposes that was earned (by the corporation and its predecessors, but not by a subsidiary predecessor) in each of the previous 20 tax years that ended after March 22, 2007, and has not been deducted.

*** The total of these two columns must equal the total of the amounts entered on lines 720 and 750.

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SCHEDULE 511

ONTARIO CORPORATE MINIMUM TAX – TOTAL ASSETS AND REVENUE FOR ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2018-12-31

- For use by corporations to report the total assets and total revenue of all the Canadian or foreign corporations with which the filing corporation was associated at any time during the tax year. These amounts are required to determine if the filing corporation is subject to corporate minimum tax.
- Total assets and total revenue include the associated corporation's share of any partnership(s)/joint venture(s) total assets and total revenue.
- Attach additional schedules if more space is required.
- File this schedule with the *T2 Corporation Income Tax Return.*

	Names of associated corporations 200	Business number (Canadian corporation only) (see Note 1) 300	Total assets* (see Note 2) 400	Total revenue** (see Note 2) 500
1	Innservices Utilities Inc.	81689 7326 RC0001	261,929,000	16,315,000
2	Town of Innisfil	NR	50,000,000	100,000,000
3	Innterprises Inc.	86556 4595 RC0001	1,460,194	151,146
		Total	450 313,389,194	550 116,466,146

Enter the total assets from line 450 on line 116 in Part 1 of Schedule 510, *Ontario Corporate Minimum Tax*.
Enter the total revenue from line 550 on line 146 in Part 1 of Schedule 510.

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

Note 2: If the associated corporation does not have a tax year that ends in the filing corporation's current tax year but was associated with the filing corporation in the previous tax year of the filing corporation, enter the total revenue and total assets from the tax year of the associated corporation that ends in the previous tax year of the filing corporation.

*** Rules for total assets**

– Report total assets in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
– Include the associated corporation's share of the total assets of partnership(s) and joint venture(s) but exclude the recorded asset(s) for the investment in partnerships and joint ventures.
– Exclude unrealized gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.

**** Rules for total revenue**

– Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
– If the associated corporation has 2 or more tax years ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of those tax years by 365 and **divide** by the total number of days in all of those tax years.
– If the associated corporation's tax year is less than 51 weeks and is the only tax year of the associated corporation that ends in the filing corporation's tax year, **multiply** the associated corporation's total revenue by 365 and **divide** by the number of days in the associated corporation's tax year.
– Include the associated corporation's share of the total revenue of partnerships and joint ventures.
– If the partnership or joint venture has 2 or more fiscal periods ending in the associated corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 546

CORPORATIONS INFORMATION ACT ANNUAL RETURN FOR ONTARIO CORPORATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2018-12-31

- This schedule should be completed by a corporation that is incorporated, continued, or amalgamated in Ontario and subject to the Ontario *Business Corporations Act* (BCA) or Ontario *Corporations Act* (CA), except for registered charities under the federal *Income Tax Act*. This completed schedule serves as a *Corporations Information Act* Annual Return under the *Ontario Corporations Information Act*.
- Complete parts 1 to 4. Complete parts 5 to 7 only to report change(s) in the information recorded on the Ontario Ministry of Government Services (MGS) public record.
- This schedule must set out the required information for the corporation as of the date of delivery of this schedule.
- A completed Ontario *Corporations Information Act* Annual Return must be delivered within six months after the end of the corporation's tax year-end. The MGS considers this return to be delivered on the date that it is filed with the Canada Revenue Agency (CRA) together with the corporation's income tax return.
- It is the corporation's responsibility to ensure that the information shown on the MGS public record is accurate and up-to-date. To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. Visit **www.ServiceOntario.ca** for more information.
- This schedule contains non-tax information collected under the authority of the Ontario *Corporations Information Act*. This information will be sent to the MGS for the purposes of recording the information on the public record maintained by the MGS.

Part 1 – Identification

100 Corporation's name (exactly as shown on the MGS public record)

InnPower Corporation

Jurisdiction incorporated, continued, or amalgamated, whichever is the most recent	**110** Date of incorporation or amalgamation, whichever is the most recent (Year Month Day)	**120** Ontario Corporation No.
Ontario	2000-10-05	7284940

Part 2 – Head or registered office address (P.O. box not acceptable as stand-alone address)

200 Care of (if applicable)

210 Street number	**220** Street name/Rural route/Lot and Concession number	**230** Suite number
2073	COMMERCE PARK DR	

240 Additional address information if applicable (line 220 must be completed first)

250 Municipality (e.g., city, town)	**260** Province/state	**270** Country	**280** Postal/zip code
INNISFIL	ON	CA	L9S 4A2

Part 3 – Change identifier

Have there been any changes in any of the information most recently filed for the public record maintained by the MGS for the corporation with respect to names, addresses for service, and the date elected/appointed and, if applicable, the date the election/appointment ceased of the directors and five most senior officers, or with respect to the corporation's mailing address or language of preference? To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. For more information, visit **www.ServiceOntario.ca**.

300 1 If there have been no changes, enter **1** in this box and then go to "Part 4 – Certification."
If there are changes, enter **2** in this box and complete the applicable parts on the next page, and then go to "Part 4 – Certification."

Part 4 – Certification

I certify that all information given in this *Corporations Information Act* Annual Return is true, correct, and complete.

450 McAllister (Last name) **451** Glen (First name)

454 ______________________, (Middle name(s))

460 2 Please enter one of the following numbers in this box for the above-named person: **1** for director, **2** for officer, or **3** for other individual having knowledge of the affairs of the corporation. If you are a director and officer, enter **1** or **2**.

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

Complete the applicable parts to report changes in the information recorded on the MGS public record.

Part 5 – Mailing address

500 [ ] Please enter one of the following numbers in this box:

1 - Show no mailing address on the MGS public record.
2 - The corporation's mailing address is the same as the head or registered office address in Part 2 of this schedule.
3 - The corporation's complete mailing address is as follows:

510 Care of (if applicable)

520 Street number	**530** Street name/Rural route/Lot and Concession number	**540** Suite number

550 Additional address information if applicable (line 530 must be completed first)

560 Municipality (e.g., city, town)	**570** Province/state	**580** Country	**590** Postal/zip code

Part 6 – Language of preference

600 [ ] Indicate your language of preference by entering **1** for English or **2** for French. This is the language of preference recorded on the MGS public record for communications with the corporation. It may be different from line 990 on the T2 return.

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 550

ONTARIO CO-OPERATIVE EDUCATION TAX CREDIT

Name of corporation	Business Number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2018-12-31

- Use this schedule to claim an Ontario co-operative education tax credit (CETC) under section 88 of the *Taxation Act, 2007* (Ontario).
- The CETC is a refundable tax credit that is equal to an eligible percentage (10% to 30%) of the eligible expenditures incurred by a corporation for a qualifying work placement. The maximum credit amount is $1,000 for each qualifying work placement ending before March 27, 2009, and $3,000 for each qualifying work placement beginning after March 26, 2009. For a qualifying work placement that straddles March 26, 2009, the maximum credit amount is prorated.
- Eligible expenditures are salaries and wages (including taxable benefits) paid or payable to a student in a qualifying work placement, or fees paid or payable to an employment agency for services performed by the student in a qualifying work placement. These expenditures must be paid on account of employment or services, as applicable, at a permanent establishment of the corporation in Ontario. Expenditures for a work placement (WP) are not eligible expenditures if they are greater than the amounts that would be paid to an arm's length employee.
- A WP must meet all of the following conditions to be a qualifying work placement:
  - the student performs employment duties for a corporation under a qualifying co-operative education program (QCEP);
  - the WP has been developed or approved by an eligible educational institution as a suitable learning situation;
  - the terms of the WP require the student to engage in productive work;
  - the WP is for a period of at least 10 consecutive weeks or, in the case of an internship program, not less than 8 consecutive months and not more than 16 consecutive months;
  - the student is paid for the work performed in the WP;
  - the corporation is required to supervise and evaluate the job performance of the student in the WP;
  - the institution monitors the student's performance in the WP; and
  - the institution has certified the WP as a qualifying work placement.
- Make sure you keep a copy of the letter of certification from the Ontario eligible educational institution containing the name of the student, the employer, the institution, the term of the WP, and the name/discipline of the QCEP to support the claim. Do not submit the letter of certification with the *T2 Corporation Income Tax Return*.
- File this schedule with the *T2 Corporation Income Tax Return*.

Part 1 – Corporate information

110 Name of person to contact for more information	**120** Telephone number including area code
Lisa McCaskie	(705) 431-6870

Is the claim filed for a CETC earned through a partnership?* . . . . . **150** 1 Yes [ ] 2 No [X]

If you answered **yes** to the question at line 150, what is the name of the partnership? . . . . . **160** ______

Enter the percentage of the partnership's CETC allocated to the corporation . . . . . **170** ______ %

* When a corporate member of a partnership is claiming an amount for eligible expenditures incurred by a partnership, complete a Schedule 550 for the partnership as if the partnership were a corporation. Each corporate partner, other than a limited partner, should file a separate Schedule 550 to claim the partner's share of the partnership's CETC. The allocated amounts can not exceed the amount of the partnership's CETC.

Part 2 – Eligibility

1. Did the corporation have a permanent establishment in Ontario in the tax year? . . . . . **200** 1 Yes [X] 2 No [ ]
2. Was the corporation exempt from tax under Part III of the *Taxation Act*, 2007 (Ontario)? . . . . . **210** 1 Yes [ ] 2 No [X]

If you answered **no** to question 1 or **yes** to question 2, then the corporation is **not eligible** for the CETC.

Part 3 – Eligible percentage for determining the eligible amount

Corporation's salaries and wages paid in the previous tax year * . . . . . **300** ________

For eligible expenditures incurred before March 27, 2009:

- If line 300 is $400,000 or less, enter 15% on line 310.
- If line 300 is $600,000 or more, enter 10% on line 310.
- If line 300 is more than $400,000 and less than $600,000, enter the percentage on line 310 using the following formula:

$$\text{Eligible percentage} = 15\,\% - \left[5\,\% \times \left(\frac{\text{amount on line 300} \textbf{ minus } \$\ 400{,}000}{\$\ 200{,}000} \right) \right]$$

Eligible percentage for determining the eligible amount . . . . . **310** 15.000 %

For eligible expenditures incurred after March 26, 2009:

- If line 300 is $400,000 or less, enter 30% on line 312.
- If line 300 is $600,000 or more, enter 25% on line 312.
- If line 300 is more than $400,000 and less than $600,000, enter the percentage on line 312 using the following formula:

$$\text{Eligible percentage} = 30\,\% - \left[5\,\% \times \left(\frac{\text{amount on line 300} \textbf{ minus } \$\ 400{,}000}{\$\ 200{,}000} \right) \right]$$

Eligible percentage for determining the eligible amount . . . . . **312** 30.000 %

* If this is the first tax year of an amalgamated corporation and subsection 88(9) of the *Taxation Act, 2007* (Ontario) applies, enter the salaries and wages paid in the previous tax year by the predecessor corporations.

Part 4 – Calculation of the Ontario co-operative education tax credit

Complete a separate entry for each student for each qualifying work placement that ended in the corporation's tax year. If a qualifying work placement would otherwise exceed four consecutive months, divide the WP into periods of four consecutive months and enter each full period of four consecutive months as a separate WP. If the WP does not divide equally into four-month periods and if the period that is less than 4 months is 10 or more consecutive weeks, then enter that period as a separate WP. If that period is less than 10 consecutive weeks, then include it with the WP for the last period of 4 consecutive months. Consecutive WPs with two or more associated corporations are deemed to be with only one corporation, as designated by the corporations.

	A Name of university, college, or other eligible educational institution **400**	B Name of qualifying co-operative education program **405**
1.	Georgian College	Electrical Engineering Technology/Technician
2.	Georgian College	Electrical Engineering Technology/Technician
3.	Georgian College	Information Technology
4.	Cambrian College	Powerline Technician
5.	Georgian College	Electrical Engineering Technology/Technician
6.	Georgian College	Information Technology
7.	Georgian College	Business Administration
8.	Cambrian College	Powerline Technician
9.	Georgian College	Electrical Engineering Technology/Technician
10.		

	C Name of student **410**	D Start date of WP (see note 1 below) **430**	E End date of WP (see note 2 below) **435**
1.	Samuel Hoover	2018-01-02	2018-04-30
2.	Samuel Hoover	2018-05-01	2018-08-31
3.	Chaz Crocker	2018-01-02	2018-04-06
4.	Michael Bosco	2018-05-14	2018-08-31
5.	Rajeethan Pakeerathan	2018-04-30	2018-08-31
6.	Tyler Yorsten	2018-04-30	2018-08-31

	C Name of student 410	D Start date of WP (see note 1 below) 430	E End date of WP (see note 2 below) 435
7.	Naz Hussaini	2018-05-28	2018-08-07
8.	Brandon Scott	2018-09-04	2018-12-20
9.	Aaron Nail	2018-09-06	2018-12-31
10.			

Note 1: When the WP has been divided into separate periods because it exceeds four consecutive months, enter the start date for the separate WP.

Note 2: When the WP has been divided into separate periods because it exceeds four consecutive months, enter the end date for the separate WP.

Part 4 – Calculation of the Ontario co-operative education tax credit (continued)

	F1 Eligible expenditures before March 27, 2009 (see note 1 below) 450	Eligible percentage before March 27, 2009 (from line 310 in Part 3)	F2 Eligible expenditures after March 26, 2009 (see note 1 below) 452	Eligible percentage after March 26, 2009 (from line 310a in Part 3)	X Number of consecutive weeks of the WP completed by the student before March 27, 2009 (see note 3 below)	Y Total number of consecutive weeks of the student's WP (see note 3 below)
1.		15.000 %	7,974	30.000 %		16
2.		15.000 %	7,974	30.000 %		17
3.		15.000 %	10,932	30.000 %		13
4.		15.000 %	11,303	30.000 %		16
5.		15.000 %	11,382	30.000 %		18
6.		15.000 %	11,698	30.000 %		18
7.		15.000 %	5,974	30.000 %		10
8.		15.000 %	14,205	30.000 %		14
9.		15.000 %	10,508	30.000 %		16
10.		15.000 %		30.000 %		

	G Eligible amount (eligible expenditures **multiplied** by eligible percentage) (see note 2 below) 460	H Maximum CETC per WP (see note 3 below) 462	I CETC on eligible expenditures (column G or H, whichever is less) 470	J CETC on repayment of government assistance (see note 4 below) 480	K CETC for each WP (column I or column J) 490
1.	2,392	3,000	2,392		2,392
2.	2,392	3,000	2,392		2,392
3.	3,280	3,000	3,000		3,000
4.	3,391	3,000	3,000		3,000
5.	3,415	3,000	3,000		3,000
6.	3,509	3,000	3,000		3,000
7.	1,792	3,000	1,792		1,792
8.	4,262	3,000	3,000		3,000
9.	3,152	3,000	3,000		3,000
10.					

Ontario co-operative education tax credit (total of amounts in column K) **500** 24,576 **L**

or, if the corporation answered **yes** at line 150 in Part 1, determine the partner's share of amount L:

Amount L ______ x percentage on line 170 in Part 1 ______ % = ... ______ **M**

Enter amount L or M, whichever applies, on line 452 of Schedule 5, *Tax Calculation Supplementary – Corporations*. If you are filing more than one Schedule 550, add the amounts from line L or M, whichever applies, on all the schedules and enter the total amount on line 452 of Schedule 5.

Note 1: Reduce eligible expenditures by all government assistance, as defined under subsection 88(21) of the *Taxation Act, 2007* (Ontario), that the corporation has received, is entitled to receive, or may reasonably expect to receive, for the eligible expenditures, on or before the filing due date of the *T2 Corporation Income Tax Return* for the tax year.

Note 2: Calculate the eligible amount (Column G) using the following formula:

Column G = (column F1 x percentage on line 310) + (column F2 x percentage on line 312)

Note 3: If the WP ends before March 27, 2009, the maximum credit amount for the WP is $1,000.
If the WP begins after March 26, 2009, the maximum credit amount for the WP is $3,000.
If the WP begins before March 27, 2009, and ends after March 26, 2009, calculate the maximum credit amount using the following formula:

($1,000 x X/Y) + [$3,000 x (Y – X)/Y]

where "X" is the number of consecutive weeks of the WP completed by the student before March 27, 2009, and "Y" is the total number of consecutive weeks of the student's WP.

Note 4: When claiming a CETC for repayment of government assistance, complete a **separate entry** for each repayment and complete columns A to E and J and K with the details for the previous year WP in which the government assistance was received. Include the amount of government assistance repaid in the tax year multiplied by the eligible percentage for the tax year in which the government assistance was received, to the extent that the government assistance reduced the CETC in that tax year.

Appendix 6-2-1 (C) 2019 Tax Return

200

Canada Revenue Agency / Agence du revenu du Canada

T2 Corporation Income Tax Return

EXEMPT FROM TAX

055 Do not use this area

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

All legislative references on this return are to the federal Income Tax Act and Income Tax Regulations. This return may contain changes that had not yet become law at the time of publication.

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

For more information see **canada.ca/taxes** or Guide T4012, T2 Corporation – Income Tax Guide.

Identification

Business number (BN) 001 89242 2817 RC0001

Corporation's name
002 InnPower Corporation

Address of head office
Has this address changed since the last time we were notified? . . . . 010 Yes [ ] No [X]
If **yes**, complete lines 011 to 018.
011 7251 Yonge Street
012
City: 015 Innisfil
Province, territory, or state: 016 ON
Country (other than Canada): 017
Postal or ZIP code: 018 L9S 0J3

Mailing address (if different from head office address)
Has this address changed since the last time we were notified? . . . . 020 Yes [ ] No [X]
If **yes**, complete lines 021 to 028.
021 c/o
022 7251 Yonge Street
023
City: 025 Innisfil
Province, territory, or state: 026 ON
Country (other than Canada): 027
Postal or ZIP code: 028 L9S 0J3

Location of books and records (if different from head office address)
Has this address changed since the last time we were notified? . . . . 030 Yes [ ] No [X]
If **yes**, complete lines 031 to 038.
031 7251 Yonge Street
032
City: 035 Innisfil
Province, territory, or state: 036 ON
Country (other than Canada): 037
Postal or ZIP code: 038 L9S 0J3

040 **Type of corporation at the end of the tax year** (tick one)
[X] 1 Canadian-controlled private corporation (CCPC)
[ ] 2 Other private corporation
[ ] 3 Public corporation
[ ] 4 Corporation controlled by a public corporation
[ ] 5 Other corporation (specify)

If the type of corporation changed during the tax year, provide the effective date of the change . . . . 043 Year Month Day

To which tax year does this return apply?
Tax year start: 060 Year Month Day 2019-01-01
Tax year-end: 061 Year Month Day 2019-12-31

Has there been an acquisition of control resulting in the application of subsection 249(4) since the tax year start on line 060? . . . . 063 Yes [ ] No [X]
If **yes**, provide the date control was acquired . . . . 065 Year Month Day

Is the date on line 061 a deemed tax year-end according to subsection 249(3.1)? . . . . 066 Yes [ ] No [X]

Is the corporation a professional corporation that is a member of a partnership? . . . . 067 Yes [ ] No [X]

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

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

Is this the final tax year before amalgamation? . . . . 076 Yes [ ] No [X]

Is this the final return up to dissolution? . . . . 078 Yes [ ] No [X]

If an election was made under section 261, state the functional currency used 079

Is the corporation a resident of Canada? 080 Yes [X] No [ ]
If **no**, give the country of residence on line 081 and complete and attach Schedule 97.
081

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

If the corporation is exempt from tax under section 149, tick one of the following boxes:
085
[ ] 1 Exempt under paragraph 149(1)(e) or (l)
[ ] 2 Exempt under paragraph 149(1)(j)
[ ] 3 Exempt under paragraph 149(1)(t) (for tax years starting before 2019)
[X] 4 Exempt under other paragraphs of section 149

Do not use this area
095 096 898

Attachments

Financial statement information: Use GIFI schedules 100, 125, and 141.
Schedules – Answer the following questions. For each **yes** response, **attach** the schedule to the T2 return, unless otherwise instructed.

		Yes	Schedule
Is the corporation related to any other corporations?	150	X	9
Is the corporation an associated CCPC?	160	X	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	161		49
Does the corporation have any non-resident shareholders who own voting shares?	151		19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
If you answered **yes** to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
Is the corporation claiming a loss or deduction from a tax shelter?	166		T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	167		T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust (without reference to section 94)?	168		22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	169		25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the Income Tax Regulations?	170		29
Did the corporation have a total amount over CAN$1 million of reportable transactions with non-arm's length non-residents?	171		T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172		———
Does the corporation earn income from one or more Internet web pages or websites?	180		88
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
Has the corporation made any charitable donations; gifts of cultural or ecological property; or gifts of medicine?	202	X	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203		3
Is the corporation claiming any type of losses?	204		4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205		5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	206		6
i) Is the corporation a CCPC and reporting a) income or loss from property (other than dividends deductible on line 320 of the T2 return), b) income from a partnership, c) income from a foreign business, d) income from a personal services business, e) income referred to in clause 125(1)(a)(i)(C) or 125(1)(a)(i)(B), f) aggregate investment income as defined in subsection 129(4), or g) an amount assigned to it under subsection 125(3.2) or 125(8); or ii) Is the corporation a member of a partnership and assigning its specified partnership business limit to a designated member under subsection 125(8)?	207	X	7
Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
Does the corporation have any resource-related deductions?	212		12
Is the corporation claiming deductible reserves?	213		13
Is the corporation claiming a patronage dividend deduction?	216		16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or a provincial credit union tax reduction?	217		17
Is the corporation an investment corporation or a mutual fund corporation?	218		18
Is the corporation carrying on business in Canada as a non-resident corporation?	220		20
Is the corporation claiming any federal, provincial, or territorial foreign tax credits, or any federal logging tax credits?	221		21
Does the corporation have any Canadian manufacturing and processing profits?	227		27
Is the corporation claiming an investment tax credit?	231		31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232		T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over $10,000,000?	233	X	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over $10,000,000?	234	X	———
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
Is the corporation claiming a Part I tax credit?	242		42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
Is the corporation subject to Part II tax for the tobacco manufacturers' surcharge?	249		46
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250		39
Is the corporation claiming a Canadian film or video production tax credit?	253		T1131
Is the corporation claiming a film or video production services tax credit?	254		T1177
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	255		92

Attachments (continued)

	Line	Yes	Schedule
Did the corporation have any foreign affiliates in the tax year?	271		T1134
Did the corporation own or hold specified foreign property where the total cost amount of all such property, at any time in the year, was more than CAN$100,000?	259		T1135
Did the corporation transfer or loan property to a non-resident trust?	260		T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261		T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262		T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263		T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264		T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	265		55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	266		T2002
Has the corporation revoked any previous election made under subsection 89(11)?	267		T2002
Did the corporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its general rate income pool (GRIP) change in the tax year?	268		53
Did the corporation (other than a CCPC or DIC) pay eligible dividends, or did its low rate income pool (LRIP) change in the tax year?	269		54

Additional information

	Line	Yes	No
Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	X	
Is the corporation inactive?	280		X

What is the corporation's main revenue-generating business activity? 221122 Electric Power Distribution

Specify the principal products mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

Line	Product or service	Line	%
284	Electricity distributor	285	100.000 %
286		287	%
288		289	%

	Line	Yes	No
Did the corporation immigrate to Canada during the tax year?	291		X
Did the corporation emigrate from Canada during the tax year?	292		X
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293		

If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible 294 Year Month Day

If the corporation's major business activity is construction, did you have any subcontractors during the tax year? 295 Yes [ ] No [ ]

Taxable income

	Line			
Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI	300		841,300	A
Deduct:				
Charitable donations from Schedule 2	311	2,876		
Cultural gifts from Schedule 2	313			
Ecological gifts from Schedule 2	314			
Gifts of medicine made before March 22, 2017, from Schedule 2	315			
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320			
Part VI.1 tax deduction*	325			
Non-capital losses of previous tax years from Schedule 4	331			
Net capital losses of previous tax years from Schedule 4	332			
Restricted farm losses of previous tax years from Schedule 4	333			
Farm losses of previous tax years from Schedule 4	334			
Limited partnership losses of previous tax years from Schedule 4	335			
Taxable capital gains or taxable dividends allocated from a central credit union	340			
Prospector's and grubstaker's shares	350			
Employer deduction for non-qualified securities under an employee stock options agreement		a		
Subtotal		2,876 ▶	2,876	B
Subtotal (amount A **minus** amount B) (if negative, enter "0")			838,424	C
Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355			D
Taxable income (amount C **plus** amount D)	360		838,424	
Income exempt under paragraph 149(1)(t) (for tax years starting before 2019)	370			
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 **minus** line 370)				Z
Taxable income for the year from a personal services business				Z.1

* This amount is equal to 3.5 times the Part VI.1 tax payable at line 724 on page 9.

Small business deduction

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

Income eligible for the small business deduction from Schedule 7	400	2,234,300	A
Taxable income from line 360 on page 3, **minus** 100/28 (3.57143) of the amount on line 632* on page 8, **minus** 4 times the amount on line 636** on page 8, and **minus** any amount that, because of federal law, is exempt from Part I tax	405		B
Business limit (see notes 1 and 2 below)	410		C

Notes:

1. For CCPCs that are not associated, enter $ 500,000 on line 410. However, if the corporation's tax year is less than 51 weeks, prorate this amount by the number of days in the tax year **divided** by 365, and enter the result on line 410.
2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

Business limit reduction

Taxable capital business limit reduction

Amount C ______ x 415 *** 433,813 D / 11,250 = ______ E

Passive income business limit reduction

Adjusted aggregate investment income from Schedule 7**** 417 ______ – 50,000 = ______ F

Amount C ______ x Amount F ______ / 100,000 = ______ G

Subtotal (the greater of amount E and amount G) 422 ______ H

Reduced business limit for tax years starting before 2019 (amount C **minus** amount E) (if negative, enter "0")	425		I
Reduced business limit for tax years starting after 2018 (amount C **minus** amount H) (if negative, enter "0")	426		J
Business limit the CCPC assigns under subsection 125(3.2) (from line 515 on page 5)			K
Reduced business limit after assignment for tax years starting before 2019 (amount I **minus** amount K)	427		L
Reduced business limit after assignment for tax years starting after 2018 (amount J **minus** amount K)	428		M

Small business deduction

Tax years starting before 2019

Amount A, B, C, or L, whichever is the least ______ x (Number of days in the tax year before January 1, 2018 ______ / Number of days in the tax year 365) x 17.5 % = ______ 1

Amount A, B, C, or L, whichever is the least ______ x (Number of days in the tax year after December 31, 2017, and before January 1, 2019 ______ / Number of days in the tax year 365) x 18 % = ______ 2

Amount A, B, C, or L, whichever is the least ______ x (Number of days in the tax year after December 31, 2018 365 / Number of days in the tax year 365) x 19 % = ______ 3

Tax years starting after 2018

Amount A, B, C, or M, whichever is the least ______ x 19 % = ______ 4

Small business deduction (total of amounts 1 to 4) 430 ______ N

Enter amount N at amount J on page 8.

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

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

*** **Large corporations**

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

**** Enter the total adjusted aggregate investment income of the corporation and all associated corporations. Each corporation with such income has to file a Schedule 7, which includes a line 744 and a line 745. For the first tax year starting after 2018, use the total of lines 744. Otherwise, use the total of lines 745 of the preceding tax year.

Small business deduction (continued)

Specified corporate income and assignment under subsection 125(3.2)

	O1 Name of corporation receiving the income and assigned amount	O Business number of the corporation receiving the assigned amount 490	P Income paid under clause 125(1)(a)(i)(B) to the corporation identified in column O [3] 500	Q Business limit assigned to corporation identified in column O [4] 505
1.				
			Total 510	Total 515

Notes:

3. This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts each of which is income from an active business of the corporation for the year from the provision of services or property to a private corporation (directly or indirectly, in any manner whatever) if
(A) at any time in the year, the corporation (or one of its shareholders) or a person who does not deal at arm's length with the corporation (or one of its shareholders) holds a direct or indirect interest in the private corporation, and
(B) it is not the case that all or substantially all of the corporation's income for the year from an active business is from the provision of services or property to
(I) persons (other than the private corporation) with which the corporation deals at arm's length, or
(II) partnerships with which the corporation deals at arm's length, other than a partnership in which a person that does not deal at arm's length with the corporation holds a direct or indirect interest.
4. The amount of the business limit you assign to a CCPC cannot be greater than the amount determined by the formula A – B, where A is the amount of income referred to in column P in respect of that CCPC and B is the portion of the amount described in A that is deductible by you in respect of the amount of income referred to in clauses 125(1)(a)(i)(A) or (B) for the year. The amount on line 515 cannot be greater than the amount on line 425 (426 for tax years starting after 2018).

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the tax year

Taxable income from page 3 (line 360 or amount Z, whichever applies)				A
Lesser of amounts 9B and 9H from Part 9 of Schedule 27			B	
Amount 13K from Part 13 of Schedule 27			C	
Personal services business income	432		D	
Amount from line 400, 405, 410, or 427 (428 instead of 427 for tax years starting after 2018) on page 4, whichever is the least			E	
Aggregate investment income from line 440 on page 6*			F	
Subtotal (**add** amounts B to F)			►	G
Amount A **minus** amount G (if negative, enter "0")				H
General tax reduction for Canadian-controlled private corporations – Amount H **multiplied** by 13 %				I

Enter amount I on line 638 on page 8.

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

General tax reduction

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

Taxable income from page 3 (line 360 or amount Z, whichever applies)				J
Lesser of amounts 9B and 9H from Part 9 of Schedule 27			K	
Amount 13K from Part 13 of Schedule 27			L	
Personal services business income	434		M	
Subtotal (**add** amounts K to M)			►	N
Amount J **minus** amount N (if negative, enter "0")				O
General tax reduction – Amount O **multiplied** by 13 %				P

Enter amount P on line 639 on page 8.

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the tax year

Aggregate investment income from Schedule 7 . . . . **440** _____ x 30 2 / 3 % =			A
Foreign non-business income tax credit from line 632 on page 8		B	
Foreign investment income from Schedule 7 . . . . **445** _____ x 8 % =		C	
Subtotal (amount B **minus** amount C) (if negative, enter "0")		►	D
Amount A **minus** amount D (if negative, enter "0")			E
Taxable income from line 360 on page 3	838,424	F	
Amount from line 400, 405, 410, or 427 (428 instead of 427 for tax years starting after 2018) on page 4, whichever is the least . . . . _____ G			
Foreign non-business income tax credit from line 632 on page 8 . . . . _____ x 75 / 29 = _____ H			
Foreign business income tax credit from line 636 on page 8 . . _____ x 4 = _____ I			
Subtotal (**add** amounts G to I) _____ ►		J	
Subtotal (amount F **minus** amount J) (if negative, enter "0")	838,424	K x 30 2 / 3 % =	257,117 L
Part I tax payable minus investment tax credit refund (line 700 **minus** line 780 from page 9)			M
Refundable portion of Part I tax – Amount E, L, or M, whichever is the least **450**			N

Refundable dividend tax on hand (for tax years starting before 2019)

Refundable dividend tax on hand at the end of the previous tax year **460**			
Dividend refund for the previous tax year **465**			
Subtotal (line 460 **minus** line 465)		►	O
Refundable portion of Part I tax from line 450 above		P	
Total Part IV tax payable from Schedule 3		Q	
Net refundable dividend tax on hand transferred on an amalgamation or the wind-up of a subsidiary **480**			
Subtotal (amount P **plus** amount Q **plus** line 480)		►	R
Refundable dividend tax on hand at the end of the tax year – Amount O **plus** amount R **485**			

Dividend refund (for tax years starting before 2019)

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

Taxable dividends paid in the tax year from line 460 on page 3 of Schedule 3 . . . . . . _____ x 38 1 / 3 % =		S
Refundable dividend tax on hand at the end of the tax year from line 485 above		T
Dividend refund – Amount S or T, whichever is less		U

Enter amount U on line 784 on page 9.

Refundable dividend tax on hand (for tax years starting after 2018)

Refundable dividend tax on hand (RDTOH) at the end of the previous tax year	460				
Dividend refund for the previous tax year	465				
Net RDTOH transferred on an amalgamation or the wind-up of a subsidiary	480				
Subtotal (line 460 **minus** line 465 **plus** line 480)					A
General rate income pool (GRIP) at the end of the previous tax year (from line 100 of schedule 53)				21,418	B
Total eligible dividends paid in the previous tax year (from line 300 of schedule 53)			C		
Total excessive eligible dividend designation in the previous tax year (from line 310 of Schedule 53)			D		
Subtotal (amount C **minus** amount D) (if negative, enter "0")			▶		E
Net GRIP at the end of the previous tax year (amount B **minus** amount E) (if negative, enter "0")		21,418	F		
GRIP transferred on an amalgamation or the wind-up of a subsidiary (total of lines 230 and 240 of schedule 53)			G		
Subtotal (amount F **plus** amount G)		21,418	▶	21,418	H
Amount H **multiplied** by 38 1/3 %				8,210	I
Eligible refundable dividend tax on hand (ERDTOH) at the end of the previous tax year (for the first tax year starting after 2018, amount A or I, whichever is less, otherwise, use line 530 of the preceding tax year)	520				J
Non-eligible refundable dividend tax on hand (NERDTOH) at the end of the previous tax year (for the first tax year starting after 2018, amount A **minus** amount I, otherwise, use line 545 of the preceding tax year) (if negative, enter "0")	535				K
Part IV tax payable on taxable dividends from connected corporations (amount 2G from Schedule 3)			L		
Part IV tax payable on eligible dividends from non-connected corporations (amount 2J from Schedule 3)			M		
Subtotal (amount L **plus** amount M)			▶		N
Net ERDTOH transferred on an amalgamation or the wind-up of a subsidiary	525				O
ERDTOH dividend refund for the previous tax year	570				P
Refundable portion of Part I tax (from line 450 on page 6)					Q
Part IV tax before deductions (amount 2A from Schedule 3)			R		
Part IV tax allocated to ERDTOH (amount N)			S		
Part IV tax reduction due to Part IV.1 tax payable (amount 4D of Schedule 43)			T		
Subtotal (amount R **minus** total of amounts S and T)			▶		U
Net NERDTOH transferred on an amalgamation or the wind-up of a subsidiary	540				V
NERDTOH dividend refund for the previous tax year	575				W
38 1/3% of the total losses applied against Part IV tax (amount 2D from Schedule 3)					X
Part IV tax payable allocated to NERDTOH, net of losses claimed (amount U **minus** amount X) (if negative enter “0”)					Y
NERDTOH at the end of the tax year* (total of amounts K, Q, V, and Y **minus** amount W) (if negative, enter "0")	545				
Part IV tax payable allocated to ERDTOH, net of losses claimed (amount N **minus** the amount, if any, by which amount X exceeds amount U) (if negative, enter "0")					Z
ERDTOH at the end of the tax year* (total of amounts J, O, and Z **minus** amount P) (if negative, enter "0")	530				

* For more information, consult the Help (F1).

Dividend refund (for tax years starting after 2018)

38 1/3% of total eligible dividends paid in the tax year (amount 3A from Schedule 3)		AA
ERDTOH balance at the end of the tax year (line 530)		BB
Eligible dividend refund (amount AA or BB, whichever is less)		CC
38 1/3% of total non-eligible taxable dividends paid in the tax year (amount 3B from Schedule 3)		DD
NERDTOH balance at the end of the tax year (line 545)		EE
Non-eligible dividend refund (amount DD or EE, whichever is less)		FF
Amount DD **minus** amount EE (if negative, enter "0")		GG
Amount BB **minus** amount CC (if negative, enter "0")		HH
Additional non-eligible dividend refund (amount GG or HH, whichever is less)		II
Dividend refund* – Amount CC **plus** amount FF **plus** amount II		JJ

Enter amount JJ on line 784 on page 9.

* For more information, consult the Help (F1).

Part I tax

Base amount Part I tax – Taxable income from page 3 (line 360 or amount Z, whichever applies) **multiplied** by 38 % . . . . **550** ______ A

Additional tax on personal services business income (section 123.5)

Taxable income from a personal services business . . . . **555** ______ x 5 % = **560** ______ B

Recapture of investment tax credit from Schedule 31 . . . . **602** ______ C

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

Aggregate investment income from line 440 on page 6 . . . . ______ D

Taxable income from line 360 on page 3 . . . . 838,424 E

Deduct:

Amount from line 400, 405, 410, or 427 (428 instead of 427 for tax years starting after 2018) on page 4, whichever is the least . . . . ______ F

Net amount (amount E **minus** amount F) 838,424 ► 838,424 G

Refundable tax on CCPC's investment income – 10 2 / 3 % of whichever is less: amount D or amount G . . . . **604** ______ H

Subtotal (**add** amounts A, B, C, and H) ______ I

Deduct:

Small business deduction from line 430 on page 4 . . . . ______ J

Federal tax abatement . . . . **608** ______

Manufacturing and processing profits deduction from Schedule 27 . . . . **616** ______

Investment corporation deduction . . . . **620** ______

Taxed capital gains **624** ______

Federal foreign non-business income tax credit from Schedule 21 . . . . **632** ______

Federal foreign business income tax credit from Schedule 21 . . . . **636** ______

General tax reduction for CCPCs from amount I on page 5 . . . . **638** ______

General tax reduction from amount P on page 5 . . . . **639** ______

Federal logging tax credit from Schedule 21 . . . . **640** ______

Eligible Canadian bank deduction under section 125.21 . . . . **641** ______

Federal qualifying environmental trust tax credit . . . . **648** ______

Investment tax credit from Schedule 31 . . . . **652** ______

Subtotal ______ ► ______ K

Part I tax payable – Amount I **minus** amount K . . . . ______ L

Enter amount L on line 700 on page 9.

Privacy statement

Personal information (including the SIN) is collected for the purposes of the administration or enforcement of the Income Tax Act and related programs and activities such as administering tax and benefits, audit, compliance, and collection. Personal information may be shared for purposes of other federal acts that provide for the imposition and collection of a tax or duty. Personal information may also be shared with other federal, provincial, territorial or foreign government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties or other actions. Under the Privacy Act, individuals have the right to access their personal information, request correction, or file a complaint to the Privacy Commissioner of Canada regarding the handling of the individual's personal information. Refer to Personal Information Bank CRA PPU 047 at **canada.ca/cra-info-source**.

Summary of tax and credits

Federal tax

Part I tax payable from amount L on page 8	700	
Part II surcharge payable from Schedule 46	708	
Part III.1 tax payable from Schedule 55	710	
Part IV tax payable from Schedule 3	712	
Part IV.1 tax payable from Schedule 43	716	
Part VI tax payable from Schedule 38	720	
Part VI.1 tax payable from Schedule 43	724	
Part XIII.1 tax payable from Schedule 92	727	
Part XIV tax payable from Schedule 20	728	
Total federal tax		

Add provincial or territorial tax:

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

Net provincial or territorial tax payable (except Quebec and Alberta)	760		
Total tax payable	770		A

Deduct other credits:

Investment tax credit refund from Schedule 31	780	
Dividend refund from amount U on page 6 or JJ on page 7	784	
Federal capital gains refund from Schedule 18	788	
Federal qualifying environmental trust tax credit refund	792	
Canadian film or video production tax credit (Form T1131)	796	
Film or video production services tax credit (Form T1177)	797	
Canadian journalism labour tax credit from Schedule 58	798	
Tax withheld at source	800	
Total payments on which tax has been withheld	801	
Provincial and territorial capital gains refund from Schedule 18	808	
Provincial and territorial refundable tax credits from Schedule 5	812	
Tax instalments paid	840	
Total credits	890	► B

Balance (amount A **minus** amount B)

Refund code 894 Refund

If the result is negative, you have a **refund**.
If the result is positive, you have a **balance owing**.
Enter the amount on whichever line applies.
Generally, we do not charge or refund a difference of $2 or less.

Balance owing

For information on how to make your payment, go to **canada.ca/payments**.

Direct deposit request

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

☐ Start ☐ Change information

910 Branch number

914 Institution number 918 Account number

If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due? 896 Yes ☐ No X

If this return was prepared by a tax preparer for a fee, provide their EFILE number 920 G1829

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

Certification

I, 950 McAllister (Last name) 951 Glen (First name) 954 CFO (Position, office, or rank),

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

955 Date (yyyy/mm/dd) — Signature of the authorized signing officer of the corporation — 956 (705) 431-6870 Telephone number

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

958 Lisa McCaskie (Name of other authorized person) 959 (705) 431-6870 Telephone number

Language of correspondence – Langue de correspondance

Indicate your language of correspondence by entering **1** for English or **2** for French.
Indiquez votre langue de correspondance en inscrivant **1** pour anglais ou **2** pour français. 990 1

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 100

Form identifier 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Corporation's name	Business number	Tax year end Year Month Day
InnPower Corporation	89242 2817 RC0001	2019-12-31

Balance sheet information

Account	Description	GIFI		Current year	Prior year
	Assets				
	Total current assets	1599	+	15,720,000	10,947,000
	Total tangible capital assets	2008	+	92,944,000	81,416,000
	Total accumulated amortization of tangible capital assets	2009	–	13,864,000	11,200,000
	Total intangible capital assets	2178	+		
	Total accumulated amortization of intangible capital assets	2179	–		
	Total long-term assets	2589	+	7,533,000	4,411,000
	* Assets held in trust	2590	+		
	Total assets (mandatory field)	2599	=	102,333,000	85,574,000
	Liabilities				
	Total current liabilities	3139	+	12,498,000	8,642,000
	Total long-term liabilities	3450	+	64,618,000	54,422,000
	* Subordinated debt	3460	+		
	* Amounts held in trust	3470	+		
	Total liabilities (mandatory field)	3499	=	77,116,000	63,064,000
	Shareholder equity				
	Total shareholder equity (mandatory field)	3620	+	25,217,000	22,510,000
	Total liabilities and shareholder equity	3640	=	102,333,000	85,574,000
	Retained earnings				
	Retained earnings/deficit – end (mandatory field)	3849	=	12,673,000	10,032,000

* Generic item

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Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 125

Form identifier 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2019-12-31

Income statement information

Description	GIFI	
Operating name	0001	
Description of the operation	0002	
Sequence number	0003	01

Account	Description	GIFI		Current year	Prior year
Income statement information					
	Total sales of goods and services	8089	+	43,514,000	41,722,000
	Cost of sales	8518	–	34,338,000	31,777,000
	Gross profit/loss	8519	=	9,176,000	9,945,000
	Cost of sales	8518	+	34,338,000	31,777,000
	Total operating expenses	9367	+	9,921,000	9,707,000
	Total expenses (mandatory field)	9368	=	44,259,000	41,484,000
	Total revenue (mandatory field)	8299	+	44,947,000	43,161,000
	Total expenses (mandatory field)	9368	–	44,259,000	41,484,000
	Net non-farming income	9369	=	688,000	1,677,000
Farming income statement information					
	Total farm revenue (mandatory field)	9659	+		
	Total farm expenses (mandatory field)	9898	–		
	Net farm income	9899	=		
	Net income/loss before taxes and extraordinary items	9970	=	688,000	1,677,000
	Total other comprehensive income	9998	=	66,000	
Extraordinary items and income (linked to Schedule 140)					
	Extraordinary item(s)	9975	–		
	Legal settlements	9976	–		
	Unrealized gains/losses	9980	+		
	Unusual items	9985	–	-2,457,000	-1,482,000
	Current income taxes	9990	–	-42,000	226,000
	Future (deferred) income tax provision	9995	–	546,000	513,000
	Total – Other comprehensive income	9998	+	66,000	
	Net income/loss after taxes and extraordinary items (mandatory field)	9999	=	2,707,000	2,420,000

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Schedule 141

Notes Checklist

Corporation's name	Business number	Tax Year End Year Month Day
InnPower Corporation	89242 2817 RC0001	2019-12-31

- Parts 1, 2, and 3 of this schedule must be completed from the perspective of the person (referred to in these parts as the **accountant**) who prepared or reported on the financial statements. If the person preparing the tax return is not the accountant referred to above, they must still complete Parts 1, 2, 3, and 4, as applicable.
- For more information, see Guide RC4088, *General Index of Financial Information (GIFI)* and T4012, *T2 Corporation – Income Tax Guide.*
- Complete this schedule and include it with your T2 return along with the other GIFI schedules.

Part 1 – Information on the accountant who prepared or reported on the financial statements

Does the accountant have a professional designation? . . . . . **095** Yes [X] No [ ]

Is the accountant connected* with the corporation? . . . . . **097** Yes [ ] No [X]

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

* 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 with the financial statements

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

Completed an auditor's report . . . . . 1 [X]

Completed a review engagement report . . . . . 2 [ ]

Conducted a compilation engagement . . . . . 3 [ ]

Part 3 – Reservations

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

Has the accountant expressed a reservation? . . . . . **099** Yes [ ] No [X]

Part 4 – Other information

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

Prepared the tax return (financial statements prepared by client) . . . . . 1 [X]

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

Were notes to the financial statements prepared? . . . . . **101** Yes [X] No [ ]

If **yes**, complete lines 104 to 107 below:

Are subsequent events mentioned in the notes? . . . . . **104** Yes [ ] No [X]

Is re-evaluation of asset information mentioned in the notes? . . . . . **105** Yes [ ] No [X]

Is contingent liability information mentioned in the notes? . . . . . **106** Yes [ ] No [X]

Is information regarding commitments mentioned in the notes? . . . . . **107** Yes [X] No [ ]

Does the corporation have investments in joint venture(s) or partnership(s)? . . . . . **108** Yes [ ] No [X]

Part 4 – Other information (continued)

Impairment and fair value changes

In any of the following assets, was an amount recognized in net income or other comprehensive income (OCI) as a result of an impairment loss in the tax year, a reversal of an impairment loss recognized in a previous tax year, or a change in fair value during the tax year? . . . . . **200** Yes ☐ No ☒

If **yes**, enter the amount recognized:

		In net income Increase (decrease)		In OCI Increase (decrease)
Property, plant, and equipment	210		211	
Intangible assets	215		216	
Investment property	220			
Biological assets	225			
Financial instruments	230		231	
Other	235		236	

Financial instruments

Did the corporation derecognize any financial instrument(s) during the tax year (other than trade receivables)? . . . . . **250** Yes ☐ No ☒

Did the corporation apply hedge accounting during the tax year? . . . . . **255** Yes ☐ No ☒

Did the corporation discontinue hedge accounting during the tax year? . . . . . **260** Yes ☐ No ☒

Adjustments to opening equity

Was an amount included in the opening balance of retained earnings or equity, in order to correct an error, to recognize a change in accounting policy, or to adopt a new accounting standard in the current tax year? . . . . . **265** Yes ☐ No ☒

If **yes**, you have to maintain a separate reconciliation.

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Net Income (Loss) for Income Tax Purposes

Schedule 1

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2019-12-31

- Use this schedule to reconcile the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes. For more information, see the T2 Corporation – Income Tax Guide.
- All legislative references are to the Income Tax Act.

Net income (loss) after taxes and extraordinary items from line 9999 of Schedule 125 . . . . 2,707,000 A

Add:

	Line	Amount	
Provision for income taxes – current	101	-42,000	
Provision for income taxes – deferred	102	546,000	
Interest and penalties on taxes	103	1,119	
Amortization of tangible assets	104	2,656,000	
Loss on disposal of assets	111	76,000	
Charitable donations and gifts from Schedule 2	112	2,876	
Non-deductible meals and entertainment expenses	121	4,867	
Reserves from financial statements – balance at the end of the year	126	100,083	
Subtotal of additions		3,344,945 ►	3,344,945

Other additions:

Miscellaneous other additions:

	1 Description 605	2 Amount 295
1	Inducement under 12(1)(x) ITA	6,456,576
2	Amortization expensed in distribution expenses	80,000
3	Customer Deposits - paragraph 20(1)(a)	39,000
4	Amortization of Capital Lease	21,000
5	EFB Movement not in Sch.13S	24,000
	Total of column 2	6,620,576 ► 296 6,620,576

	Line	Amount		
Subtotal of other additions	199	6,620,576 ►	6,620,576	D
Total additions	500	9,965,521 ►	9,965,521	

Amount A **plus** line 500 . . . . 12,672,521 B

Deduct:

	Line	Amount	
Capital cost allowance from Schedule 8	403	3,932,369	
Reserves from financial statements – balance at the beginning of the year	414	178,083	
Subtotal of deductions		4,110,452 ►	4,110,452

Other deductions:

Miscellaneous other deductions:

	1 Description 705	2 Amount 395
1	13(7.4) electon re contributed capital	6,432,000
2	Capital Lease payments	25,000
3	Customer Deposits - paragraph 20(1)(m)	39,000
4	Amortization of deferred contribution	540,000
5	2019 tax movement in reg. account	571,000
6	Gov't asistance adding back for SR&ED	1,577
7	SR&ED expenditures capitalized for accounting	112,192
	Total of column 2	7,720,769 ► 396 7,720,769

Subtotal of other deductions	499	7,720,769 ▶	7,720,769	E
Total deductions	510	11,831,221 ▶	11,831,221	
Net income (loss) for income tax purposes (amount B **minus** line 510)			841,300	C

Enter amount C on line 300 of the T2 return.

Inducement

This form is used to calculate inducements that a corporation must add to its income under paragraph 12(1)(x) ITA. If an amount reduces the capital cost of a property, this amount will be indicated in Part "Tax credits whose amount should reduce the capital cost of property."

If you want to transfer an amount to Schedule 1 and include it in the corporation's income for tax purposes, select the corresponding check box in column A. You can also select the option **Select this check box to add all the amounts to income calculated in Schedule 1** to transfer all the amounts to Schedule 1. In either case, the column A check box will be selected for that amount and it will therefore be updated to Schedule 1.

Tax credits whose amount should be added to income

Ontario

A		
	Portion of the Ontario research and development tax credit that relates to the prescribed proxy amount (PPA) and portion of the Ontario investment tax credit that relates to contributions made to SR&ED farming organizations	
X	Ontario co-operative education tax credit	24,576
	Ontario apprenticeship training tax credit	
	Ontario computer animation and special effects tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Ontario film and television tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Ontario production services tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Ontario interactive digital media tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Ontario sound recording tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Ontario book publishing tax credit	
	Portion of the Ontario innovation tax credit that relates to the prescribed proxy amount (PPA) and portion of the Ontario investment tax credit that relates to contributions made to SR&ED farming organizations	
	Ontario business-research institute tax credit	
	Ontario community food program donation tax credit for farmers	

Other amounts

A		
X	Contributed capital for fixed assets	6,432,000
	Total	6,432,000

Tax credits whose amount should reduce the capital cost of property

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Schedule 2

Charitable Donations and Gifts

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2019-12-31

- For use by corporations to claim any of the following:
  - the eligible amount of charitable donations to qualified donees
  - the Ontario, Nova Scotia, and British Columbia food donation tax credits for farmers
  - the eligible amount of gifts of certified cultural property
  - the eligible amount of gifts of certified ecologically sensitive land or
  - the additional deduction for gifts of medicine made before March 22, 2017
- All legislative references are to the federal Income Tax Act, unless stated otherwise.
- The eligible amount of a gift is the amount by which the fair market value of the gifted property exceeds the amount of an advantage, if any, for the gift.
- The donations and gifts can be carried forward for 5 years except for gifts of certified ecologically sensitive land made after February 10, 2014, which can be carried forward for 10 years. Provincial food donation tax credits must be applied in the current tax year.
- Use this schedule to show a transfer of unused amounts from previous years following an amalgamation or the wind-up of a subsidiary as described under subsections 87(1) and 88(1).
- Subsection 110.1(1.2) provides as follows:
  - Where a particular corporation has undergone an acquisition of control, for tax years that end on or after the acquisition of control, no corporation can claim a deduction for a gift made by the particular corporation to a qualified donee before the acquisition of control.
  - If a particular corporation makes a gift to a qualified donee pursuant to an arrangement under which both the gift and the acquisition of control is expected, no corporation can claim a deduction for the gift unless the person acquiring control of the particular corporation is the qualified donee.
- An eligible medical gift made before March 22, 2017, to a qualifying organization for activities outside of Canada may be eligible for an additional deduction. Calculate the additional deduction in Part 5.
- File this schedule with your T2 Corporation Income Tax Return.
- For more information, see the T2 Corporation – Income Tax Guide.

Part 1 – Charitable donations

Charity/Recipient	Amount ($100 or more only)
Move to Give	250
Rizzardo Health and Wellness	1,165
Senior wish Birthday/Christmas	250
Innisfil Community Church	1,211
Subtotal	2,876
Add: Total donations of less than $100 each	
Total donations in current tax year	2,876

Part 1 – Charitable donations

	Line	Federal		Québec	Alberta
Charitable donations at the end of the previous tax year			A		
Charitable donations expired after 5 tax years*	239				
Charitable donations at the beginning of the current tax year (amount A **minus** line 239)	240				
Charitable donations transferred on an amalgamation or the wind-up of a subsidiary	250				
Total charitable donations made in the current year (include this amount on line 112 of Schedule 1 Net Income (Loss) for Income Tax Purposes)	210	2,876		2,876	2,876
Subtotal (line 250 **plus** line 210)		2,876	B	2,876	2,876
Subtotal (line 240 **plus** amount B)		2,876	C	2,876	2,876
Adjustment for an acquisition of control	255				
Total charitable donations available (amount C **minus** line 255)		2,876	D	2,876	2,876
Amount applied in the current year against taxable income (cannot be more than amount L in Part 2) (enter this amount on line 311 of the T2 return)	260	2,876		2,876	2,876
Charitable donations closing balance (amount D **minus** line 260)	280				

	Line	Amount	
The amount of qualifying donations for the Ontario community food program donation tax credit for farmers included in the amount on line 260 (for donations made after December 31, 2013)	262		
Ontario community food program donation tax credit for farmers (amount on line 262 **multiplied** by 25 %)			1

Enter amount 1 on line 420 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the Ontario income tax otherwise payable or amount 1. For more information, see section 103.1.2 of the Taxation Act, 2007 (Ontario).

	Line	Amount	
The amount of qualifying donations for the Nova Scotia food bank tax credit for farmers included in the amount on line 260 (for donations made after December 31, 2015)	263		
Nova Scotia food bank tax credit for farmers (amount on line 263 **multiplied** by 25 %)			2

Enter amount 2 on line 570 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the Nova Scotia income tax otherwise payable or amount 2. For more information, see section 50A of the Nova Scotia Income Tax Act.

	Line	Amount	
The amount of qualifying gifts for the British Columbia farmers' food donation tax credit included in the amount on line 260 (for donations made after February 16, 2016 and before January 1, 2021)	265		
British Columbia farmers' food donation tax credit (amount on line 265 **multiplied** by 25 %)			3

Enter amount 3 on line 683 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the British Columbia income tax otherwise payable or amount 3. For more information, see section 20.1 of the British Columbia Income Tax Act.

* For federal and Alberta tax purposes, donations and gifts expire after five tax years. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, expire after five tax years; otherwise, donations and gifts expire after twenty tax years.

Amounts carried forward – Charitable donations

Year of origin:		Federal	Québec	Alberta
1st prior year	2018-12-31			
2nd prior year	2017-12-31			
3rd prior year	2016-12-31			
4th prior year	2015-12-31			
5th prior year	2014-12-31			
6th prior year*	2013-12-31			
7th prior year	2012-12-31			
8th prior year	2011-12-31			
9th prior year	2010-12-31			
10th prior year	2009-12-31			
11th prior year	2008-12-31			
12th prior year	2007-12-31			
13th prior year	2006-12-31			
14th prior year	2005-12-31			
15th prior year	2004-12-31			
16th prior year	2003-12-31			
17th prior year	2002-12-31			
18th prior year	2001-12-31			
19th prior year				
20th prior year				
21st prior year*				
Total (to line A)				

* For federal and Alberta tax purposes, donations and gifts included on line *6th prior year* expire automatically in the current tax year. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, that are included on line *6th prior year* and donations and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Part 2 – Maximum allowable deduction for charitable donations

Net income for tax purposes Note 1 **multiplied** by 75 % . . . . . 630,975 E

Taxable capital gains arising in respect of gifts of capital property included in Part 1 Note 2 . . . . . **225** ______

Taxable capital gain in respect of a disposition of a non-qualifying security under subsection 40(1.01) . . . . . **227** ______

The amount of the recapture of capital cost allowance in respect of charitable donations . . . . . **230** ______

Proceeds of disposition, **less** outlays and expenses Note 2 . . . . . ______ F

Capital cost Note 2 . . . . . ______ G

Amount F or G, whichever is less . . . . . **235** ______

Amount on line 230 or 235, whichever is less . . . . . ______ H

Subtotal (**add** line 225, 227, and amount H) ______ I

Amount I **multiplied** by 25 % ______ J

Subtotal (amount E **plus** amount J) 630,975 K

Maximum allowable deduction for charitable donations
(enter amount D from Part 1, amount K, or net income for tax purposes, whichever is least) . . . . . 2,876 L

Note 1 For credit unions, subsection 137(2) states that this amount is before the deduction of payments pursuant to allocations in proportion to borrowing and bonus interest.

Note 2 This amount must be prorated by the following calculation: eligible amount of the gift **divided by** the proceeds of disposition of the gift.

Part 3 – Gifts of certified cultural property

		Federal		Québec	Alberta
Gifts of certified cultural property at the end of the previous tax year			M		
Gifts of certified cultural property expired after 5 tax years*	439				
Gifts of certified cultural property at the beginning of the current tax year (amount M **minus** line 439)	440				
Gifts of certified cultural property transferred on an amalgamation or the wind-up of a subsidiary	450				
Total gifts of certified cultural property in the current year (include this amount on line 112 of Schedule 1)	410				
Subtotal (line 450 **plus** line 410)			N		
Subtotal (line 440 **plus** amount N)			O		
Adjustment for an acquisition of control	455				
Amount applied in the current year against taxable income (enter this amount on line 313 of the T2 return)	460				
Subtotal (line 455 **plus** line 460)			P		
Gifts of certified cultural property closing balance (amount O **minus** amount P)	480				

* For federal and Alberta tax purposes, donations and gifts expire after five tax years. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, expire after five tax years; otherwise, donations and gifts expire after twenty tax years.

Amount carried forward – Gifts of certified cultural property

Year of origin:		Federal	Québec	Alberta
1st prior year	2018-12-31			
2nd prior year	2017-12-31			
3rd prior year	2016-12-31			
4th prior year	2015-12-31			
5th prior year	2014-12-31			
6th prior year*	2013-12-31			
7th prior year	2012-12-31			
8th prior year	2011-12-31			
9th prior year	2010-12-31			
10th prior year	2009-12-31			
11th prior year	2008-12-31			
12th prior year	2007-12-31			
13th prior year	2006-12-31			
14th prior year	2005-12-31			
15th prior year	2004-12-31			
16th prior year	2003-12-31			
17th prior year	2002-12-31			
18th prior year	2001-12-31			
19th prior year				
20th prior year				
21st prior year*				
Total				

* For federal and Alberta tax purposes, donations and gifts included on line *6th prior year* expire automatically in the current tax year. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, that are included on line *6th prior year* and donations and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Part 4 – Gifts of certified ecologically sensitive land

		Federal		Québec	Alberta
Gifts of certified ecologically sensitive land at the end of the previous tax year			Q		
Gifts of certified ecologically sensitive land expired after 5 tax years, or after 10 tax years for gifts made after February 10, 2014*	539				
Gifts of certified ecologically sensitive land at the beginning of the current tax year (amount Q **minus** line 539)	540				
Gifts of certified ecologically sensitive land transferred on an amalgamation or the wind-up of a subsidiary	550				
Total current-year gifts of certified ecologically sensitive land (include this amount on line 112 of Schedule 1)	520				
Subtotal (line 550 **plus** line 520)			R		
Subtotal (line 540 **plus** amount R)			S		
Adjustment for an acquisition of control	555				
Amount applied in the current year against taxable income (enter this amount on line 314 of the T2 return)	560				
Subtotal (line 555 **plus** line 560)			T		
Gifts of certified ecologically sensitive land closing balance (amount S **minus** amount T)	580				

* For federal and Alberta tax purposes, donations and gifts made before February 11, 2014, expire after five tax years and gifts made after February 10, 2014, expire after ten tax years. For Québec tax purposes, donations and gifts made during a tax year that ended before March 24, 2006, expire after five tax years; otherwise, donation and gifts expire after twenty tax years.

Amounts carried forward – Gifts of certified ecologically sensitive land

Amount of carried forward gifts made on or after February 11, 2014, in the tax year including this date . . . .

Year of origin:		Federal	Québec	Alberta
1st prior year	2018-12-31			
2nd prior year	2017-12-31			
3rd prior year	2016-12-31			
4th prior year	2015-12-31			
5th prior year	2014-12-31			
6th prior year*	2013-12-31			
7th prior year	2012-12-31			
8th prior year	2011-12-31			
9th prior year	2010-12-31			
10th prior year	2009-12-31			
11th prior year*	2008-12-31			
12th prior year	2007-12-31			
13th prior year	2006-12-31			
14th prior year	2005-12-31			
15th prior year	2004-12-31			
16th prior year	2003-12-31			
17th prior year	2002-12-31			
18th prior year	2001-12-31			
19th prior year				
20th prior year				
21st prior year*				
Total				

* For federal and Alberta tax purposes, donations and gifts made before February 11, 2014, that are included on line *6th prior year* and gifts that are included on line *11th prior year* expire automatically in the current year.

The field "Amount of carried forward gifts made on or after February 11, 2014, in the tax year including this date" is used to distinguish the portion of the gifts made in the tax year straddling February 11, 2014, that expires after ten tax years, from the portion that expires in the current tax year.

For Québec tax purposes, donations and gifts made during a tax year that ended before March 24, 2006, that are included on line *6th prior year* and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Part 5 – Additional deduction for gifts of medicine

	Line	Federal		Québec	Alberta
Additional deduction for gifts of medicine at the end of the previous tax year			U		
Additional deduction for gifts of medicine expired after 5 tax years*	639				
Additional deduction for gifts of medicine at the beginning of the current tax year (amount U **minus** line 639)	640				
Additional deduction for gifts of medicine made before March 22, 2017 transferred on an amalgamation or the wind-up of a subsidiary	650				

Additional deduction for gifts of medicine made before March 22, 2017:

	Line	Federal		Québec	Alberta
Proceeds of disposition	602				
Cost of gifts of medicine made before March 22, 2017	601				
Subtotal (line 602 **minus** line 601)			V		
Amount V **multiplied** by 50 %			W		
Eligible amount of gifts	600				

Federal

a ________ x (b ________ / c) = Additional deduction for gifts of medicine made before March 22, 2017 **610** ________

Québec

a ________ x (b ________ / c) = Additional deduction for gifts of medicine made before March 22, 2017 ________

Alberta

a ________ x (b ________ / c) = Additional deduction for gifts of medicine made before March 22, 2017 ________

where:

a is the **lesser** of line 601 and amount W
b is the eligible amount of gifts (line 600)
c is the proceeds of disposition (line 602)

	Line	Federal		Québec	Alberta
Subtotal (line 650 **plus** line 610)			X		
Subtotal (line 640 **plus** amount X)			Y		
Adjustment for an acquisition of control	655				
Amount applied in the current year against taxable income (enter this amount on line 315 of the T2 return)	660				
Subtotal (line 655 **plus** line 660)			Z		
Additional deduction for gifts of medicine closing balance (amount Y **minus** amount Z)	680				

* For federal and Alberta tax purposes, donations and gifts expire after five tax years. For Québec tax purposes, donations and gifts made in a tax year that ended before March 19, 2007, expire after five tax years; otherwise, donations and gifts expire after twenty tax years.

Amounts carried forward – Additional deduction for gifts of medicine

Year of origin:		Federal	Québec	Alberta
1st prior year	2018-12-31			
2nd prior year	2017-12-31			
3rd prior year	2016-12-31			
4th prior year	2015-12-31			
5th prior year	2014-12-31			
6th prior year*	2013-12-31			
7th prior year	2012-12-31			
8th prior year	2011-12-31			
9th prior year	2010-12-31			
10th prior year	2009-12-31			
11th prior year	2008-12-31			
12th prior year	2007-12-31			
13th prior year	2006-12-31			
14th prior year	2005-12-31			
15th prior year	2004-12-31			
16th prior year	2003-12-31			
17th prior year	2002-12-31			
18th prior year	2001-12-31			
19th prior year				
20th prior year				
21st prior year*				
Total				

* For federal and Alberta tax purposes, donations and gifts included on line *6th prior year* expire automatically in the current tax year. For Québec tax purposes, donations and gifts made in a tax year that ended before March 19, 2007, that are included on line *6th prior year* and donations and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Québec – Gifts of musical instruments

Gifts of musical instruments at the end of the previous tax year		A
Deduct: Gifts of musical instruments expired after twenty tax years		B
Gifts of musical instruments at the beginning of the tax year		C
Add:		
Gifts of musical instruments transferred on an amalgamation or the wind-up of a subsidiary		D
Total current-year gifts of musical instruments		E
Subtotal (line D **plus** line E)		F
Deduct: Adjustment for an acquisition of control		G
Total gifts of musical instruments available		H
Deduct: Amount applied against taxable income (enter this amount on line 255 of form CO-17)		I
Gifts of musical instruments closing balance		J

Amounts carried forward – Gifts of musical instruments

Year of origin:		Québec
1st prior year	2018-12-31	
2nd prior year	2017-12-31	
3rd prior year	2016-12-31	
4th prior year	2015-12-31	
5th prior year	2014-12-31	
6th prior year*	2013-12-31	
7th prior year	2012-12-31	
8th prior year	2011-12-31	
9th prior year	2010-12-31	
10th prior year	2009-12-31	
11th prior year	2008-12-31	
12th prior year	2007-12-31	
13th prior year	2006-12-31	
14th prior year	2005-12-31	
15th prior year	2004-12-31	
16th prior year	2003-12-31	
17th prior year	2002-12-31	
18th prior year	2001-12-31	
19th prior year		
20th prior year		
21st prior year*		
Total		

* These gifts expired in the current year.

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Schedule 7

Aggregate Investment Income and Income Eligible for the Small Business Deduction

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2019-12-31

- Use this schedule if you are a Canadian-controlled private corporation (CCPC) to calculate:
  - your aggregate investment income and foreign investment income, as defined in subsection 129(4), to determine the refundable portion of Part I tax, and your adjusted aggregate investment income, as defined in subsection 125(7), for the purpose of the business limit reduction
  - your **specified partnership income**, as defined in subsection 125(7), if you are a member (or **designated member**) of one or more partnerships, and
  - your income from an active business carried on in Canada eligible for the small business deduction including any **specified corporate income** as defined in subsection 125(7)
- Use this schedule if another CCPC is making an assignment of **business limit** under subsection 125(3.2) to you.
- Use this schedule if you are a corporation that is a member of a partnership to assign **specified partnership business limit** to a **designated member** under subsection 125(8).
  Note: If you are a corporation that is not a CCPC, **only** complete Table 1 (columns A1, B1, C1, G1, H1 and J1) and Table 3 to make this assignment.
- The adjusted aggregate investment income, for the purpose of the business limit reduction, also applies to a tax year of a corporation that begins before 2019 and ends after 2018 under the following circumstances:
  - the corporation's preceding tax year was, because of a transaction or event or a series of transactions or events, shorter than it would have been in the absence of that transaction, event or series, and
  - one of the reasons for the transaction, event or series was to defer the application of subsections 125(5.1), (5.2) and (7) to the corporation
- All legislative references are to the Income Tax Act.
- For more information, see **Small Business Deduction** and **Refundable Portion of Part I Tax** in Guide T4012, T2 Corporation – Income Tax Guide.
- See the notes at the end of the form.

Part 1 – Aggregate investment income

Aggregate investment income is all **world** source income.

Eligible portion of taxable capital gains for the year	002			
Eligible portion of allowable capital losses for the year (including allowable business investment losses)	012			
Net capital losses of previous years claimed on line 332 on the T2 return	022			
Subtotal (line 012 **plus** line 022)				A
Line 002 **minus** amount A (if negative, enter "0")				B
Total income from property (include income from a specified investment business carried on in Canada other than income from a source outside Canada)	032	5,000		
Exempt income	042			
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for the year	052			
Taxable dividends deductible (total of column F on Schedule 3 **minus** related expenses)	062			
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)	072			
Subtotal (**add** lines 042, 052, 062 and 072)				C
Subtotal (line 032 **minus** amount C)		5,000	5,000	D
Amount B **plus** amount D			5,000	E
Total losses from property (include losses from a specified investment business carried on in Canada other than a loss from a source outside Canada)	082		1,398,000	
Amount E **minus** line 082 (if negative, enter "0") (enter on line 440 of the T2 return)	092			

Part 2 – Adjusted aggregate investment income

Eligible portion of taxable capital gains for the year (other than taxable capital gains from the disposition of an active asset note 13)			705		
Eligible portion of allowable capital losses for the year (including allowable business investment losses) (other than allowable capital losses from the disposition of an active asset note 13)			710		
Subtotal (line 705 **minus** line 710) (if negative, enter "0")					F
Total income from property note 14		715	5,000		
Exempt income	720				
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for the year	725				
Dividends from connected corporations	730				
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)	735				
Subtotal (**add** lines 720, 725, 730 and 735)		▶		G	
Subtotal (line 715 **minus** amount G)			5,000 ▶	5,000	H
Amount F **plus** amount H				5,000	I
Total losses from property note 14			740	1,398,000	
Amount, if any, deducted under subsection 91(4) in computing the corporation's income for the year			741		
Adjusted aggregate investment income (amount I **minus** line 740, **plus** line 741) (if negative, enter "0")			745		

If this is your first tax year starting after 2018, complete the following portion.

Eligible portion of taxable capital gains for each tax year that ended in the preceding calendar year (other than taxable capital gains from the disposition of an active asset note 13)				2A
Eligible portion of allowable capital losses for each tax year that ended in the preceding calendar year (including allowable business investment losses)(other than allowable capital losses from the disposition of an active asset note 13)				2B
Subtotal (amount 2A **minus** amount 2B) (if negative, enter "0")				2C
Total income from property for each tax year that ended in the preceding calendar year note 14		16,000 2D		
Exempt income for each tax year that ended in the preceding calendar year	2E			
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for each tax year that ended in the preceding calendar year	2F			
Dividends from connected corporations for each tax year that ended in the preceding calendar year	2G			
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a) for each tax year that ended in the preceding calendar year	2H			
Subtotal (**add** amounts 2E, 2F, 2G and 2H)	▶	2I		
Subtotal (amount 2D **minus** amount 2I)		16,000 ▶	16,000	2J
Amount 2C **plus** amount 2J			16,000	2K
Total losses from property for each tax year that ended in the preceding calendar year note 14			1,293,000	2L
Amount, if any, deducted under subsection 91(4) in computing the corporation's income for each tax year that ended in the preceding calendar year		742		
Adjusted aggregate investment income (amount 2K **minus** amount 2L, **plus** line 742) (if negative, enter "0")		744		

(enter the total of line 744 and the adjusted aggregate investment income of all associated corporations on line 417 of the T2 return)

Part 3 – Foreign investment income

Foreign investment income is all income from sources **outside Canada**.

Eligible portion of taxable capital gains for the year			**001**	
Eligible portion of allowable capital losses for the year (including allowable business investment losses)			**009**	
Subtotal (line 001 **minus** line 009) (if negative, enter "0")				J
Total income from property from a source **outside Canada** (net of related expenses)		**019**		
Exempt income	**029**			
Taxable dividends deductible (total of column F on Schedule 3 **minus** related expenses)	**049**			
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)	**059**			
Subtotal (**add** lines 029, 049, and 059)	►	K		
Subtotal (line 019 **minus** amount K)		►		L
Amount J **plus** amount L				M
Total losses from property from a source **outside Canada**			**069**	
Amount M **minus** line 069 (if negative, enter "0") (enter on line 445 of the T2 return)			**079**	

Part 3A – Canadian and foreign investment income and adjusted aggregate investment income calculation

	A Canadian investment income	B Foreign investment income	C Adjusted aggregate investment income*	
Eligible portion of the taxable capital gains for the year before taking into account the capital gains reserves (federal) of Schedule 13*				1.1
Eligible portion of capital gains reserves (addition/deduction)*, **				1.2
Taxable capital gains under section 34.2 (line 275 on Schedule 73)**				1.3
Eligible portion of the taxable capital gains for the year (**add** amounts 1.1, 1.2, and 1.3)				1
Eligible portion of allowable capital losses for the year (including allowable business investment losses)*				2.1
Net capital losses of previous years (line 332 on the T2 return)				2.2
Allowable capital losses under section 34.2 (line 285 of Schedule 73)**				2.3
Allowable capital losses for the year (**add** amounts 2.1, 2.2 and 2.3)				2
Amount 1 **minus** amount 2 (if negative, enter "0")				3
Taxable dividends				4.1
Rental property income (under regulation 1100(11))				4.2
Other property income*	5,000		5,000	4.3
Property income under section 34.2 (line 280 of Schedule 73)**				4.4
Total property income (**add** amounts 4.1, 4.2, 4.3 and 4.4)	5,000		5,000	4
Exempt income				5.1
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for the year				5.2
Taxable dividends deductible (total of column F on Schedule 3 **minus** related expenses)*				5.3
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)				5.4
Add amounts 5.1, 5.2, 5.3 and 5.4				5
Amount 4 **minus** amount 5	5,000		5,000	6
Amount 3 **plus** amount 6	5,000		5,000	7
Rental property losses (under regulation 1100(11))				8.1
Dividend losses				8.2
Other property losses*	1,398,000		1,398,000	8.3
Property losses under section 34.2 (line 280 of Schedule 73)**				8.4
Total property losses (**add** amounts 8.1, 8.2, 8.3 and 8.4)	1,398,000		1,398,000	8
Amount 7 **minus** amount 8 (if negative, enter "0")				9
Amount, if any, deducted under subsection 91(4) in computing the corporation's income for the year				10
Amount 7 **minus** amount 8 **plus** amount 10 (if negative, enter "0")				11

* To calculate the adjusted aggregate investment income under column C:

- On lines 1.1, 1.2 and 2.1, only capital gains and losses resulting from the disposition of property other than an active asset (as defined under subsection 125(7) ITA) are to be taken into account.
- On line 4.3, include amounts in respect of a life insurance policy that are included in computing the corporation's income for the year (even if those amounts are not included in the calculation of the corporation's investment income in column A and B) as well as the income from a specified foreign investment business.
- On line 5.3, only the dividends received from a connected corporation should be included.
- On line 8.3, include the loss from a specified foreign investment business.

For more information on the calculation of the adjusted aggregate investment income, consult notes 13 and 14 at the end of this form as well as the Help (F1).

** When an amount is entered on these lines in column B, it reduces the corresponding amount in column A. For more information, consult the Help (F1).

Net taxable dividends		**A***	**Canadian**	**Foreign**	**Total**
Taxable dividends deducted per Schedule 3					
Less: Expenses related to such dividends		**A***			
Total expenses					
Net taxable dividends					

* Column A – Enter an “X” if the expense is related to a dividend received from a connected corporation.

Part 4 – Specified partnership income

Table 1 – Specified partnership income

A	A1	1A
Is the corporation a designated member of the partnership?	Partnership name 200	Partnership's account number
Yes No		

B1	C1	D1	1D	2D	E1	F1
Total income (loss) of partnership from an active business 300	Corporation's share of amount in column B1 310	Income of the corporation from providing (directly or indirectly) services or property to the partnership 311	Prorated amounts calculated under section 34.2 note 1	Expenses the corporation incurred to earn partnership income	Adjustments (column 1D **minus** column 2D) 315	Corporation's income (loss) in respect of the partnership note 2 (**add** columns C1, D1 and E1) 320

Total 350 ______

G1	H1	I1	J1	K1	L1	M1
Number of days in the partnership's fiscal period 325	Prorated business limit notes 2 and 3 (column C1 ÷ column B1) × [$ 500 000 × (column G1 ÷ 365)] (if column C1 is negative, enter "0") 330	Specified partnership business limit **assigned to you** (from H2 in Table 2) note 5 335	Specified partnership business limit **assigned by you** from F3 in Table 3) note 6 336	Specified partnership business limit amount (column H1 **plus** column I1 **minus** column J1)	Column F1 **minus** column K1 (if negative, enter "0")	Lesser of columns F1 and K1 (if column F1 is negative, enter "0") note 4 340

Total 385 ______ 360 ______

Corporation's losses for the year from an active business carried on in Canada (other than as a member of a partnership) – enter as a positive amount . . . . 370 ______

Specified partnership loss of the corporation for the year – enter as a positive amount (total of all negative amounts in column F1) . . . . 380 ______

Subtotal (line 370 **plus** line 380) ______ N

Amount at line 385 or amount N, whichever is less . . . . 390 ______

Specified partnership income (line 360 **plus** line 390) . . . . 400 ______
(enter at amount R in Part 5)

Part 4 – Specified partnership income (continued)

Tables 2 and 3 are used to make an assignment of **specified partnership business limit** under subsection 125(8). A person that is a member of a partnership can make an assignment of **specified partnership business limit** under subsection 125(8) to a **designated member**.

If you are a CCPC that is a designated member and **receiving** specified partnership business limit from a person that is a member of the partnership, complete Table 2.

If you are a corporation that is a member of the partnership and **assigning** specified partnership business limit to a designated member, complete Table 3.

Table 2 – A member is assigning to you specified partnership business limit under subsection 125(8)

A2	2A	B2
Partnership name 405	Partnership's account number	Name of the member 406

C2	D2	E2	F2	G2	H2
Business number of the member (if applicable) 410	Social insurance number of the member (if applicable) 411	Trust account number of the member (if applicable) 412	Tax year start of the member (yyyymmdd) 415	Tax year-end of the member (yyyymmdd) 416	Specified partnership business limit assigned to you by the member note 7 420

Table 3 – You are assigning to a designated member (CCPC) specified partnership business limit under subsection 125(8)

A3	3A	B3
Partnership name 425	Partnership's account number	Name of the designated member 426

C3	D3	E3	F3
Business number of the designated member 430	Tax year start of the designated member (yyyymmdd) 435	Tax year-end of the designated member (yyyymmdd) 436	Specified partnership business limit assigned by you to the designated member note 8 440

Part 5 – Partnership income not eligible for the small business deduction

Corporation's income from active businesses carried on in Canada as a member or designated member of a partnership (after deducting related expenses) – from line 350 in Part 4 (if the net amount is negative, enter "0" on line 450) . . . . ________ O

Specified partnership loss (from line 380 in Part 4) . . . . ________ P

Subtotal (amount O **plus** amount P) ________ Q

Specified partnership income (from line 400 in Part 4) . . . . ________ R

Partnership income not eligible for the small business deduction (amount Q **minus** amount R) . . . . 450 ________
(enter at amount Z in Part 6)

Part 6 – Income eligible for the small business deduction

Net income for income tax purposes from line 300 of the T2 return		841,300 S		
Allowable business investment loss from line 406 of Schedule 1		T		
Subtotal (amount S **plus** amount T)		841,300 ▶		841,300 U
Foreign business income after deducting related expenses note 9	500			
Taxable capital gains from line 113 of Schedule 1		V		
Net property income (line 032 note 10 **minus** the total of lines 042, 052 and 082 note 9 in Part 1)		-1,393,000 W		
Personal services business income after deducting related expenses note 9	e1			
Other income after deducting related expenses note 9	e2			
Subtotal (amount e1 **plus** amount e2) note 9 ▶	520			
Subtotal (**add** line 500, amount V, amount W and line 520)		-1,393,000 ▶		-1,393,000 X
Net amount (amount U **minus** amount X)				2,234,300 Y
Partnership income not eligible for the small business deduction (line 450 in Part 5)		Z		
Partnership income allocated to your corporation under subsection 96(1.1)	530			
Income referred to in clause 125(1)(a)(i)(C)	540			
Income referred to in clause 125(1)(a)(i)(B) (from line 615 in Part 7)		AA		
Subtotal (**add** amount Z, line 530, line 540 and amount AA)		▶		BB
Specified corporate income (from line 625 in Part 7)				CC
Income eligible for the small business deduction (amount Y **minus** amount BB, **plus** amount CC) (enter amount DD on line 400 of the T2 return - if negative, enter "0")				2,234,300 DD

Part 7 – Specified corporate income and assignment under subsection 125(3.2)

	1EE Name of the corporation	EE Business number of the corporation 600	FF Income described under clause 125(1)(a)(i)(B) received from the corporation identified in column EE note 11 610	GG Business limit assigned **from** the corporation identified in column EE note 12 620
1				
			Total 615	Total 625

See the privacy statement on your return.

Notes

Note 1 Do **not** include expenses that were deducted in computing the income of the corporation in column D1.

In general, amounts included under subsections 34.2(2) and 34.2(3) or claimed under subsection 34.2(4) are deemed to have the **same character** and be in the **same proportions** as the partnership income they relate to. For example, if a corporation receives $100,000 of partnership income for the partnership's fiscal period ending in its tax year, and that income is made up of $40,000 of active business income, $30,000 of income from property, and $30,000 as a taxable capital gain, the corporation's adjusted stub period accrual (ASPA) in respect of the partnership would be 40% active business income, 30% property income, and 30% taxable capital gains. Add or deduct only the portion of the following amounts that are characterized as **active business income** in accordance with subsection 34.2(5):

Add:
- the ASPA under subsection 34.2(2) (column 4 of Schedule 73)
- the income inclusion for a new corporate member of a partnership under subsection 34.2(3) (column 6 of Schedule 73)
- the previous-year transitional reserve under subsection 34.2(12) (column 12 of Schedule 73)

Deduct:
- the previous-year ASPA under subsection 34.2(4) (column 5 of Schedule 73)
- the previous-year income inclusion for a new corporate member of a partnership under subsection 34.2(4) (column 7 of Schedule 73)

Note 2 When a partnership carries on more than one business, one of which generates income and another of which realizes a loss, the loss is **not** netted against the partnership's income when calculating the prorated business limit (column H1). Enter on line 380 the total of all losses from column F1.

Note 3 **If** you are a **designated member** of the partnership, enter "0".

Note 4 You must enter "0" **if** the partnership provides services or property to either:

(A) a private corporation (directly or indirectly in any manner whatever) in the year, if:
- you (or one of your shareholders) or a person that does **not** deal at arm's length with you (or one of your shareholders) holds a direct or indirect interest in the private corporation, and
- it is not the case that all or substantially all of the partnership's income for the year from an active business is from providing services or property to
  - persons (other than the private corporation) that deal at arm's length with the partnership and each person that holds a direct or indirect interest in the partnership, or
  - partnerships with which the partnership deals at arm's length, other than a partnership in which a person that does **not** deal at arm's length with you holds a direct or indirect interest, or

(B) a particular partnership (directly or indirectly in any manner whatever) in the year, if:
- you (or one of your shareholders) do **not** deal at arm's length with the particular partnership or a person that holds a direct or indirect interest in the particular partnership, and
- it is not the case that all or substantially all of the partnership's income for the year from an active business is from providing services or property to
  - persons that deal at arm's length with the partnership and each person that holds a direct or indirect interest in the partnership, or
  - partnerships (other than the particular partnership) with which the partnership deals at arm's length, other than a partnership in which a person that does **not** deal at arm's length with you holds a direct or indirect interest.

Note 5 If you are a CCPC that is a **designated member** receiving an assignment of **specified partnership business limit,** complete Table 2 to determine the amounts to enter in Table 1 column I1.

Note 6 If you are a corporation that is a **member** of the partnership and you are assigning **specified partnership business limit**, complete Table 3 to determine the amounts to enter in Table 1 column J1.

Note 7 Add the amounts in column H2 that are for the same partnership and enter it in Table 1 column I1, in the row of the applicable partnership.

Note 8 Add the amounts in column F3 that are for the same partnership and enter it in Table 1 column J1, in the row of the applicable partnership. This amount **cannot** be higher than the amount of prorated business limit you would otherwise be entitled to in Table 1 column H1 for that partnership.

Note 9 If negative, enter amount in brackets, and **add** instead of subtracting.

Note 10 Net of related expenses.

Note 11 This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts, each of which is your income from an active business for the year from providing services or property to a private corporation (directly or indirectly, in any manner whatever) if

(A) at any time in the year, you (or one of your shareholders) or a person that does **not** deal at arm's length with you (or one of your shareholders) holds a direct or indirect interest in the private corporation, and

(B) it is not the case that all or substantially all of your income for the year from an active business is from providing services or property to
- (I) persons (other than the private corporation) with which you deal at arm's length, or
- (II) partnerships with which you deal at arm's length, other than a partnership in which a person that does **not** deal at arm's length with you holds a direct or indirect interest.

Do **not** include specified farming or fishing income. If the conditions described in subsection 125(10) are met, do not include income from an associated corporation.

Note 12 The amount of business limit that a CCPC can assign to you cannot be greater than the amount in column FF that is from providing services or property **directly** to that CCPC. If there is an amount included in column FF that is deductible by that CCPC in respect of the amount of its income referred to in clause 125(1)(a)(i)(A) or (B) for its tax year, you need to deduct it from column FF for the purpose of determining the amount that can be assigned to you.

Notes (continued)

Note 13 Active asset, of a particular corporation at any time, means property that is:

(A) used at that time principally in an active business carried on primarily in Canada by the particular corporation or by a Canadian-controlled private corporation that is related to the particular corporation,

(B) a share of the capital stock of another corporation if, at that time,

- the other corporation is connected with the particular corporation (within the meaning assigned by subsection 186(4) on the assumption that the other corporation is at that time a payer corporation within the meaning of that subsection), and
- the share would be a qualified small business corporation share (as defined in subsection 110.6(1)) if:

– the references in that definition to an "individual" were references to the particular corporation, and

– that definition were read without reference to "the individual's spouse or common-law partner", or

(C) an interest in a partnership, if:

- at that time, the fair market value of the particular corporation's interest in the partnership is equal to or greater than 10% of the total fair market value of all interests in the partnership,
- throughout the 24-month period ending before that time, more than 50% of the fair market value of the property of the partnership was attributable to property described in this paragraph or in paragraph (A) or (B), and
- at that time, all or substantially all of the fair market value of the property of the partnership was attributable to property described in this paragraph or in paragraph (A) or (B).

Note 14 Income or loss from property of a particular corporation, for the purposes of calculating the corporation's adjusted aggregate investment income, includes income or loss from a specified investment business, as well as all amounts in respect of a life insurance policy that are included in computing the corporation’s income for the year (even if those amounts were not included in the computation of the corporation’s aggregate investment income in Part 1).

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Schedule 8

Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2019-12-31

For more information, see the section called "Capital Cost Allowance" in the T2 Corporation Income Tax Guide.

Is the corporation electing under Regulation 1101(5q)? **101** Yes [ ] No [X]

	1 Class number * See note 1 **200**	Description	2 Undepreciated capital cost (UCC) at the beginning of the year **201**	3 Cost of acquisitions during the year (new property must be available for use) See note 2 **203**	4 Cost of acquisitions from column 3 that are accelerated investment incentive properties (AIIP) See note 3 **225**	5 Adjustments and transfers See note 4 **205**	6 Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition See note 5 **221**	7 Amount from column 5 that is repaid during the year for a property, subsequent to its disposition See note 6 **222**	8 Proceeds of dispositions See note 7 **207**	For tax years ending before November 21, 2018: 50% rule (1/2 of net acquisitions) **211**
1.	1	Buildings	21,221,151						0	
2.	8	Equipment and tools	1,525,115	43,691	43,691				0	
3.	10	Rolling stock and vehicles	549,533	6,000	6,000				0	
4.	45	Computer equipment and software	85						0	
5.	47	Electrical energy distribution	25,379,808	2,451,505	2,451,505				6,000	
6.	50	Computer equipment	258,684	125,612	125,612				0	
7.	47	WIP							0	
8.	8	WIP							0	
9.	14.1		188,919						0	
10.	1b	Building	189,996	38,000	38,000				0	
11.	95	WIP	1,267,000	2,470,000	2,470,000				0	
		Totals	50,580,291	5,134,808	5,134,808				6,000	

	1 Class number * See note 1 200	Des-crip-tion	9 UCC (column 2 **plus** column 3 **plus** or **minus** column 5 **minus** column 8) See note 8	10 Proceeds of disposition available to reduce the UCC of AIIP (column 8 **plus** column 6 **minus** column 3 **plus** column 4 **minus** column 7) (if negative, enter "0")	11 Net capital cost additions of AIIP acquired during the year (column 4 **minus** column 10) (if negative, enter "0")	12 UCC adjustment for AIIP acquired during the year (column 11 **multiplied** by the relevant factor) See note 9	13 UCC adjustment for non-AIIP acquired during the year (0.5 **multiplied** by the result of column 3 **minus** column 4 **minus** column 6 **plus** column 7 **minus** column 8) (if negative, enter "0") See note 10 224	14 CCA rate % See note 11 212	15 Recapture of CCA See note 12 213	16 Terminal loss See note 13 215	17 CCA (for declining balance method, the result of column 9 **plus** column 12 **minus** column 13, **multiplied** by column 14 or a lower amount) See note 14 217	18 UCC at the end of the year (column 9 **minus** column 17) 220
1.	1	Buildin	21,221,151					4	0	0	848,846	20,372,305
2.	8	Equipn	1,568,806		43,691	21,846		20	0	0	318,130	1,250,676
3.	10	Rolling	555,533		6,000	3,000		30	0	0	167,560	387,973
4.	45	Compu	85					45	0	0	38	47
5.	47	Electri	27,825,313	6,000	2,445,505	1,222,753		8	0	0	2,323,845	25,501,468
6.	50	Compu	384,296		125,612	62,806		55	0	0	245,906	138,390
7.	47	WIP						8	0	0		
8.	8	WIP						20	0	0		
9.	14.1		188,919					5	0	0	13,224	175,695
10.	1b	Buildin	227,996		38,000	19,000		6	0	0	14,820	213,176
11.	95	WIP	3,737,000		2,470,000	1,235,000		0	0	0		3,737,000
		Totals	55,709,099	6,000	5,128,808	2,564,405					3,932,369	51,776,730

Enter the total of column 15 on line 107 of Schedule 1.
Enter the total of column 16 on line 404 of Schedule 1.
Enter the total of column 17 on line 403 of Schedule 1.

Note 1. If a class number has not been provided in Schedule II of the Income Tax Regulations for a particular class of property, use the subsection provided in Regulation 1101. Class numbers followed by a letter indicate the basic rate of the class taking into account the additional deduction allowed. Class 1a: 4% + 6% = 10% (class 1 to 10%), class 1b: 4% + 2% = 6% (class 1 to 6%).

Note 2. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions of property in the class that are not subject to the 50% rule. See Income Tax Folio S3-F4-C1, General Discussion of Capital Cost Allowance, for exceptions to the 50% rule.

Note 3. An accelerated investment incentive property (AIIP) is a property (other than property included in Class 54 or 55) that you acquired after November 20, 2018 and became available for use before 2028. See the T2 Corporation Income Tax Guide for more information. Classes 54 and 55 include property that is a zero-emission vehicle you acquired after March 18, 2019 and became available for use before 2028.

Note 4. Enter in column 5, "Adjustments and transfers", amounts that increase or reduce the undepreciated capital cost (column 9). Items that increase the undepreciated capital cost include amounts transferred under section 85, or transferred on amalgamation or winding-up of a subsidiary. Items that reduce the undepreciated capital cost (show amounts that reduce the undepreciated capital cost in brackets) include government assistance received or entitled to be received in the year, or a reduction of capital cost after the application of section 80. See the T2 Corporation Income Tax Guide for other examples of adjustments and transfers to include in column 5.

Note 5. Include all amounts of assistance you received (or were entitled to receive) after the disposition of a depreciable property that would have decreased the capital cost of the property by virtue of paragraph 13(7.1)(f) if received before the disposition.

Note 6. Include all amounts you have repaid during the year with respect to any legally required repayment, made after the disposition of a corresponding property, of:

- assistance that would have otherwise increased the capital cost of the property under paragraph 13(7.1)(d); and
- an inducement, assistance or any other amount contemplated in paragraph 12(1)(x) received, that otherwise would have increased the capital cost of the property under paragraph 13(7.4)(b).

Also include the UCC of each property of a prescribed class acquired in the course of a corporate reorganization described under paragraph 55(3)(b) of the Act (also known as "butterfly reorganization") or in a non-arm's length transaction (other than by virtue of a right referred to in paragraph 251(5)(b) of the Act) if the property was a depreciable property acquired by the transferor less than 364 days before the end of your tax year.

Note 7. For each property disposed of during the year, deduct from the proceeds of disposition any outlays and expenses to the extent that they were made or incurred for the purpose of making the disposition(s). The amount reported in respect of the property cannot exceed the property's capital cost, unless that property is a timber resource property as defined in subsection 13(21).

Note 8. If the amount in column 5 reduces the undepreciated capital cost (i.e. it is shown in brackets), you must subtract it for the purposes of the calculation. Otherwise, add the amount in column 5 for the purposes of the calculation.

Note 9. The relevant factors for AIIP of a class in Schedule II and for property included in classes 54 and 55, available for use before 2024, are:

- 2 1/3 for property in Classes 43.1 and 54;
- 1 1/2 for property in Class 55;
- 1 for property in Classes 43.2 and 53;
- 0 for property in Classes 12, 13, 14, and 15, as well as properties that are Canadian vessels included in paragraph 1100(1)(v) of the Regulations (see note 14 for additional information); and
- 0.5 for all other property that is AIIP.

Note 10. The UCC adjustment for non-AIIP acquired during the year (formerly known as the half-year rule or 50% rule) does not apply to certain property (including AIIP). For special rules and exceptions, see Income Tax Folio S3-F4-C1, General Discussion of Capital Cost Allowance.

Note 11. Enter a rate only if you are using the declining balance method. For any other method (for example the straight-line method, where calculations are always based on the cost of acquisitions), enter N/A. Then enter the amount you are claiming in column 17.

Note 12. If the amount in column 9 is negative, you have a recapture of CCA. If applicable, enter the negative amount from column 9 in column 15 as a positive. The recapture rules do not apply to passenger vehicles in Class 10.1.

Note 13. If no property is left in the class at the end of the tax year and there is still a positive amount in the column 9, you have a terminal loss. If applicable, enter the positive amount from column 9 in column 16. The terminal loss rules do not apply to:

- passenger vehicles in Class 10.1;
- property in Class 14.1, unless you have ceased carrying on the business to which it relates; or
- limited-period franchises, concessions, or licences in Class 14 if, at the time of acquisition, the property was a former property of the transferor or any similar property attributable to the same fixed place of business, and you had jointly elected with the transferor to have the replacement property rules apply.

Note 14. If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See the T2 Corporation Income Tax Guide for more information. For property in class 10.1 disposed of during the year, deduct a maximum of 50% of the regular CCA deduction if you owned the property at the beginning of the tax year. For AIIP listed below, the maximum first year allowance you can claim is determined as follows:

- Class 13: the lesser of 150% of the amount calculated in Schedule III of the Regulations and the UCC at the end of the tax year (before any CCA deduction).
- Class 14: the lesser of 150% of the allocation for the year of the capital cost of the property apportioned over the remaining life of the property (at the time the cost was incurred) and the UCC at the end of the tax year (before any CCA deduction).
- Class 15: the lesser of 150% of an amount computed on the basis of a rate per cord, board foot or cubic metre cut in the tax year and the UCC at the end of the tax year (before any CCA deduction).
- Canadian vessels described under paragraph 1100(1)(v) of the Regulations: the lesser of 50% of the capital cost of the property and the UCC at the end of the tax year (before any CCA deduction).
- Class 41.2: use a 25% CCA rate. The additional allowance under paragraph 1100(1)(y.2)(for single mine properties) and 1100(1)(ya.2)(for multiple mine properties) of the Regulations is not eligible for the accelerated investment incentive. The additional allowance in respect of natural gas liquefaction under paragraph 1100(1)(yb) of the Regulations is eligible for the accelerated investment incentive.
- Property (other than a timber resource property) that is a timber limit or a right to cut timber from a limit: 150% of the amount determined by first subtracting the total of the residual value of the timber limit and all amounts you expended for the 1949 or later tax years for surveys, cruises or preparation of prints, maps or plans for the purpose of obtaining a licence or right to cut timber from the capital cost of the limit or right, and then dividing the result by the quantity of timber in the limit or the quantity of timber you have the right to cut.
- Industrial mineral mine or a right to remove industrial minerals from an industrial mineral mine: 150% of the amount determined by first subtracting the residual value, if any, of the mine or right from the capital cost of the mine or right, and then dividing the result by the number of units of commercially mineable material estimated to be in the mine when the mine or right was acquired (alternatively, if you have acquired a right to remove only a specified number of units, that number of units that you acquired a right to remove).

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SCHEDULE 9

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
InnPower Corporation	89242 2817 RC0001	2019-12-31

- Complete this schedule if the corporation is related to or associated with at least one other corporation.
- For more information, see the *T2 Corporation Income Tax Guide*.

	Name 100	Country of residence (other than Canada) 200	Business number (see note 1) 300	Relationship code (see note 2) 400	Number of common shares you own 500	% of common shares you own 550	Number of preferred shares you own 600	% of preferred shares you own 650	Book value of capital stock 700
1.	Innservices Utilities Inc.		81689 7326 RC0001	3					
2.	Town of Innisfil		NR	1					
3.	Innterprises Inc.		86556 4595 RC0001	3					

Note 1: Enter "NR" if the corporation is not registered or does not have a business number.
Note 2: Enter the code number of the relationship that applies from the following order: 1 - Parent 2 - Subsidiary 3 - Associated 4 - Related but not associated

T2 SCH 9 (11)

Canada

Continuity of financial statement reserves (not deductible)

Financial statement reserves (not deductible)

	Description	Balance at the beginning of the year	Transfer on an amalgamation or the wind-up of a subsidiary	Add	Deduct	Balance at the end of the year
1	Post retirement benefits	178,083		12,000	90,000	100,083
2						
	Reserves from Part 2 of Schedule 13					
	Totals	178,083		12,000	90,000	100,083

The total opening balance plus the total transfers should be entered on line 414 of Schedule 1 as a deduction.
The total closing balance should be entered on line 126 of Schedule 1 as an addition.

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Schedule 23

Agreement Among Associated Canadian-Controlled Private Corporations to Allocate the Business Limit

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

Column 1: Enter the legal name of each of the corporations in the associated group, including those deemed to be associated under subsection 256(2) of the Income Tax Act.

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

Column 3: Enter the association code from the list below 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** as referred to in subsection 256(2) and has filed Schedule 28, Election not to be Associated Through a Third Corporation

3 – Non-CCPC that is a **third corporation**

4 – Associated non-CCPC

5 – Associated CCPC to which association code 1 does not apply because a **third corporation** has filed Schedule 28

Column 4: Enter the business limit for the year of each corporation in the associated group. Enter "0" if the corporation has association code 2, 3 or 4 in column 3 (except if the corporation is a cooperative or a credit union eligible for the SBD and it has association code 4).

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

Column 6: Enter the business limit allocated to each corporation by multiplying the amount in column 4 by the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A.

Ensure that the total at line A does not exceed $500,000.

Allocating the business limit

Date filed (do not use this area) . . . . **025** Year Month Day

Enter the calendar year the agreement applies to . . . . **050** Year 2019

Is this an amended agreement for the above calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? . . . . **075** ☐ Yes ☒ No

	1 Name of associated corporations **100**	2 Business number of associated corporations **200**	3 Association code **300**	4 Business limit for the year before the allocation $	5 Percentage of the business limit % **350**	6 Business limit allocated* $ **400**	
1	InnPower Corporation	89242 2817 RC0001	1	500,000			
2	Innservices Utilities Inc.	81689 7326 RC0001	1	500,000			
3	Town of Innisfil	NR	1	500,000			
4	Innterprises Inc.	86556 4595 RC0001	1	500,000	100.0000	500,000	
				Total	100.0000	500,000	A

Business limit reduction under subsection 125(5.1) of the Act

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the factors used in this calculation is the "large corporation amount" at line 415 of the T2 return. The amount at line 415 is determined using the formula 0.225% x (C - $10,000,000). Another factor is the "adjusted aggregate investment income" from lines 744 and 745 of Schedule 7, Aggregate Investment Income and Income Eligible for the Small Business Deduction. Details of these formulas and variable C are in subsection 125(5.1) of the Act.

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

Special rules for business limit

Special rules apply under subsection 125(5) if a CCPC has more than one tax year ending in the same calendar year and it is associated in more than one of those tax years with another CCPC that has a tax year ending in that calendar year. The business limit for the second or later tax year will be equal to the lesser of: the business limit determined for the first tax year ending in the calendar year or the business limit determined for the second or later tax year ending in the same calendar year.

Summary of Investment Tax Credit Carryovers

Continuity of investment tax credit carryovers

CCA class number 99 Cur. or cap. R&D for ITC

Current year

	Addition current year (A)	Applied current year (B)	Claimed as a refund (C)	Carried back (D)	ITC end of year (A-B-C-D)

Prior years

Taxation year	ITC beginning of year (E)	Adjustments (F)	Applied current year (G)	ITC end of year (E-F-G)
2018-12-31	37,158			37,158
2017-12-31				
2016-12-31				
2015-12-31				
2014-12-31				
2013-12-31				
2012-12-31				
2011-12-31				
2010-12-31				
2009-12-31				*
2008-12-31				
2007-12-31				
2006-12-31				
2005-12-31				
2004-12-31				
2003-12-31				
2002-12-31				
2001-12-31				
				*
Total	37,158			37,158

B+C+D+G **Total ITC utilized**

* The **ITC end of year** includes the amount of ITC expired from the 10th preceding year if it is before January 1, 1998, or the amount of ITC expired from the 20th preceding year if it is after December 31, 1997. Note that this credit expires at the end of the tax year and any expired credit will be posted to line 215, 515, 615, 770 or 845, as applicable, in Schedule 31 the following year.

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Schedule 33

Taxable Capital Employed in Canada – Large Corporations

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2019-12-31

- Use this schedule in determining if the total taxable capital employed in Canada of the corporation (other than a financial institution or an insurance corporation) and its related corporations is greater than $10,000,000.
- If the total taxable capital employed in Canada of the corporation and its related corporations is greater than $10,000,000, file a completed Schedule 33 with your T2 *Corporation Income Tax Return* no later than six months from the end of the tax year.
- Unless otherwise noted, all legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 181(1) defines the terms **financial institution**, **long-term debt**, and **reserves**.
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part I.3 for its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or for a partnership in which it has an interest.
- If the corporation was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 4, **Taxable capital employed in Canada**.

Part 1 – Capital

Add the following year-end amounts:

	Line	Amount		
Reserves that have not been deducted in calculating income for the year under Part I	101	100,336		
Capital stock (or members' contributions if incorporated without share capital)	103	10,852,000		
Retained earnings	104	12,673,000		
Contributed surplus	105	1,600,000		
Any other surpluses	106			
Deferred unrealized foreign exchange gains	107			
All loans and advances to the corporation	108	491,000		
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109			
Any dividends declared but not paid by the corporation before the end of the year	110			
All other indebtedness of the corporation (other than any indebtedness for a lease) that has been outstanding for more than 365 days before the end of the year	111			
The total of all amounts, each of which is the amount, if any, in respect of a partnership in which the corporation held a membership interest at the end of the year, either directly or indirectly through another partnership (see note below)	112			
Subtotal (**add** lines 101 to 112)		25,716,336	25,716,336	A

Note:

Line 112 is determined by the formula (A – B) x C/D (as per paragraph 181.2(3)(g)) where:

A is the total of all amounts that would be determined for lines 101, 107, 108, 109, and 111 in respect of the partnership for its last fiscal period that ends at or before the end of the year if
  a) those lines applied to partnerships in the same manner that they apply to corporations, and
  b) those amounts were computed without reference to amounts owing by the partnership
    (i) to any corporation that held a membership interest in the partnership either directly or indirectly through another partnership, or
    (ii) to any partnership in which a corporation described in subparagraph (i) held a membership interest either directly or indirectly through another partnership.

B is the partnership's deferred unrealized foreign exchange losses at the end of the period,

C is the share of the partnership's income or loss for the period to which the corporation is entitled either directly or indirectly through another partnership, and

D is the partnership's income or loss for the period.

Part 1 – Capital (continued)

			Subtotal A (from page 1)	25,716,336	A
Deduct the following amounts:					
Deferred tax debit balance at the end of the year	121				
Any deficit deducted in calculating its shareholders' equity (including, for this purpose, the amount of any provision for the redemption of preferred shares) at the end of the year	122				
To the extent that the amount may reasonably be regarded as being included in any of lines 101 to 112 above for the year, any amount deducted under subsection 135(1) in calculating income under Part I for the year.	123				
Deferred unrealized foreign exchange losses at the end of the year	124				
Subtotal (**add** lines 121 to 124)			►		B
Capital for the year (amount A **minus** amount B) (if negative, enter "0")			190	25,716,336	

Part 2 – Investment allowance

Add the carrying value at the end of the year of the following assets of the corporation:

A share of another corporation	401	
A loan or advance to another corporation (other than a financial institution)	402	3,622,000
A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution)	403	
Long-term debt of a financial institution	404	
A dividend payable on a share of the capital stock of another corporation	405	
A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim or similar obligation of, a partnership each member of which was, throughout the year, another corporation (other than a financial institution) that was not exempt from tax under this Part (otherwise than because of paragraph 181.1(3)(d)), or another partnership described in paragraph 181.2(4)(d.1)	406	
An interest in a partnership (see note 2 below)	407	
Investment allowance for the year (add lines 401 to 407)	490	3,622,000

Notes:

1. Lines 401 to 405 should not include the carrying value of a share of the capital stock of, a dividend payable by, or indebtedness of a corporation that is exempt from tax under Part I.3 (other than a non-resident corporation that at no time in the year carried on business in Canada through a permanent establishment).
2. Where the corporation has an interest in a partnership held either directly or indirectly through another partnership, refer to subsection 181.2(5) for additional rules regarding the carrying value of an interest in a partnership.
3. Where a trust is used as a conduit for loaning money from a corporation to another related corporation (other than a financial institution), the loan will be considered to have been made directly from the lending corporation to the borrowing corporation. Refer to subsection 181.2(6) for special rules that may apply.

Part 3 – Taxable capital

Capital for the year (line 190)		25,716,336	C
Deduct: Investment allowance for the year (line 490)		3,622,000	D
Taxable capital for the year (amount C **minus** amount D) (if negative, enter "0")	500	22,094,336	

Part 4 – Taxable capital employed in Canada

To be completed by a corporation that was resident in Canada at any time in the year

Taxable capital for the year (line 500) 22,094,336 x (Taxable income earned in Canada **610** 1,000 / Taxable income 1,000) = **Taxable capital employed in Canada** **690** 22,094,336

Notes:
1. Regulation 8601 gives details on calculating the amount of taxable income earned in Canada.
2. Where a corporation's taxable income for a tax year is "0," it shall, for the purposes of the above calculation, be deemed to have a taxable income for that year of $1,000.
3. In the case of an airline corporation, Regulation 8601 should be considered when completing the above calculation.

To be completed by a corporation that was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada

Total of all amounts each of which is the carrying value at the end of the year of an asset of the corporation used in the year or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada . . . . **701** ____

Deduct the following amounts:

Corporation's indebtedness at the end of the year [other than indebtedness described in any of paragraphs 181.2(3)(c) to (f)] that may reasonably be regarded as relating to a business it carried on during the year through a permanent establishment in Canada . . . . **711** ____

Total of all amounts each of which is the carrying value at the end of year of an asset described in subsection 181.2(4) of the corporation that it used in the year, or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada . . . . **712** ____

Total of all amounts each of which is the carrying value at the end of year of an asset of the corporation that is a ship or aircraft the corporation operated in international traffic, or personal or movable property used or held by the corporation in carrying on any business during the year through a permanent establishment in Canada (see note below) . . . . **713** ____

Total deductions (**add** lines 711, 712, and 713) ____ ► ____ E

Taxable capital employed in Canada (line 701 **minus** amount E) (if negative, enter "0") . . . . **790** ____

Note: Complete line 713 only if the country in which the corporation is resident did not impose a capital tax for the year on similar assets, or a tax for the year on the income from the operation of a ship or aircraft in international traffic, of any corporation resident in Canada during the year.

Part 5 – Calculation for purposes of the small business deduction

This part is applicable to corporations that are not associated in the current year, but were associated in the prior year.

Taxable capital employed in Canada (amount from line 690) . . . . ____ F

Deduct: . . . . 10,000,000 G

Excess (amount F **minus** amount G) (if negative, enter "0") ____ H

Calculation for purposes of the small business deduction (amount H x 0.225%) . . . . ____ I

Enter this amount at line 415 of the T2 return.

Attached Schedule with Total

Part 1 – All loans and advances to the corporation

Title: Part 1 – All loans and advances to the corporation

Explanatory note

Per note 19 of the 2019 FS (w/p FS.1)

Description	Operator (Note)	Amount
Town of Innisfil - receivable		183,000 00
InnServices Utilities Inc. - receivable	+	
Innterprises Inc. - receivable	+	308,000 00
	+	
	Total	491,000 00

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula 1+2*3 will not result in the same thing as the formula 1+3*2.

Attached Schedule with Total

Part 2 – A loan or advance to another corporation (other than a financial institution)

Title Part 2 – A loan or advance to another corporation (other than a financial ir

Explanatory note

Per note 19 of the 2019 FS (w/p FS.1)

Description	Operator (Note)	Amount
InnServices Utilities Inc. - payable		3,282,000 00
Innterprises Inc. - payable	+	
InnServices Utilities Inc. - receivable (negative balance)	+	340,000 00
	+	
	Total	3,622,000 00

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula 1+2*3 will not result in the same thing as the formula 1+3*2.

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Schedule 50

Shareholder Information

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2019-12-31

- All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.
- Provide only one number per shareholder (business number, social insurance number or trust number).

	Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust) 100	Business number (If a corporation is not registered, enter "NR") 200	Social insurance number 300	Trust number 350	Percentage common shares 400	Percentage preferred shares 500
1	Town of Innisfil	12194 7188 RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 546

CORPORATIONS INFORMATION ACT ANNUAL RETURN FOR ONTARIO CORPORATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2019-12-31

- This schedule should be completed by a corporation that is incorporated, continued, or amalgamated in Ontario and subject to the Ontario *Business Corporations Act* (BCA) or Ontario *Corporations Act* (CA), except for registered charities under the federal *Income Tax Act*. This completed schedule serves as a *Corporations Information Act* Annual Return under the *Ontario Corporations Information Act*.
- Complete parts 1 to 4. Complete parts 5 to 7 only to report change(s) in the information recorded on the Ontario Ministry of Government Services (MGS) public record.
- This schedule must set out the required information for the corporation as of the date of delivery of this schedule.
- A completed Ontario *Corporations Information Act* Annual Return must be delivered within six months after the end of the corporation's tax year-end. The MGS considers this return to be delivered on the date that it is filed with the Canada Revenue Agency (CRA) together with the corporation's income tax return.
- It is the corporation's responsibility to ensure that the information shown on the MGS public record is accurate and up-to-date. To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. Visit **www.ServiceOntario.ca** for more information.
- This schedule contains non-tax information collected under the authority of the Ontario *Corporations Information Act*. This information will be sent to the MGS for the purposes of recording the information on the public record maintained by the MGS.

Part 1 – Identification

100 Corporation's name (exactly as shown on the MGS public record)
InnPower Corporation

Jurisdiction incorporated, continued, or amalgamated, whichever is the most recent	**110** Date of incorporation or amalgamation, whichever is the most recent (Year Month Day)	**120** Ontario Corporation No.
Ontario	2000-10-05	7284940

Part 2 – Head or registered office address (P.O. box not acceptable as stand-alone address)

200 Care of (if applicable)

210 Street number	**220** Street name/Rural route/Lot and Concession number	**230** Suite number
2073	COMMERCE PARK DR	

240 Additional address information if applicable (line 220 must be completed first)

250 Municipality (e.g., city, town)	**260** Province/state	**270** Country	**280** Postal/zip code
INNISFIL	ON	CA	L9S 4A2

Part 3 – Change identifier

Have there been any changes in any of the information most recently filed for the public record maintained by the MGS for the corporation with respect to names, addresses for service, and the date elected/appointed and, if applicable, the date the election/appointment ceased of the directors and five most senior officers, or with respect to the corporation's mailing address or language of preference? To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. For more information, visit **www.ServiceOntario.ca**.

300 1 If there have been no changes, enter **1** in this box and then go to "Part 4 – Certification."
If there are changes, enter **2** in this box and complete the applicable parts on the next page, and then go to "Part 4 – Certification."

Part 4 – Certification

I certify that all information given in this *Corporations Information Act* Annual Return is true, correct, and complete.

450 McAllister (Last name) **451** Glen (First name)

454 ______________________, (Middle name(s))

460 2 Please enter one of the following numbers in this box for the above-named person: **1** for director, **2** for officer, or **3** for other individual having knowledge of the affairs of the corporation. If you are a director and officer, enter **1** or **2**.

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

Complete the applicable parts to report changes in the information recorded on the MGS public record.

Part 5 – Mailing address

500 Please enter one of the following numbers in this box:

1 - Show no mailing address on the MGS public record.
2 - The corporation's mailing address is the same as the head or registered office address in Part 2 of this schedule.
3 - The corporation's complete mailing address is as follows:

510 Care of (if applicable)

520 Street number **530** Street name/Rural route/Lot and Concession number **540** Suite number

550 Additional address information if applicable (line 530 must be completed first)

560 Municipality (e.g., city, town) **570** Province/state **580** Country **590** Postal/zip code

Part 6 – Language of preference

600 Indicate your language of preference by entering **1** for English or **2** for French. This is the language of preference recorded on the MGS public record for communications with the corporation. It may be different from line 990 on the T2 return.

Corporate Taxpayer Summary

Corporate information

Corporation's name . . . . InnPower Corporation

Taxation Year . . . . 2019-01-01 to 2019-12-31

Jurisdiction . . . . Ontario

BC	AB	SK	MB	ON	QC	NB	NS	NO	PE	NL	XO	YT	NT	NU	OC
				X											

Corporation is associated . . . . Y

Corporation is related . . . . Y

Number of associated corporations . . . 3

Type of corporation . . . . Canadian-Controlled Private Corporation

Total amount due (refund) federal and provincial* . . . .

* The amounts displayed on lines "Total amount due (refund) federal and provincial" are all listed in the help. Press F1 to consult the context-sensative help.

Summary of federal information

Net income		841,300
Taxable income		
Donations		2,876
Calculation of income from an active business carried on in Canada		2,234,300
Dividends paid		
Dividends paid – Regular		
Dividends paid – Eligible		
Balance of the low rate income pool at the end of the previous year		
Balance of the low rate income pool at the end of the year		
Balance of the general rate income pool at the end of the previous year		21,418
Balance of the general rate income pool at the end of the year		21,418
Part I tax (base amount)		

Summary of federal carryforward/carryback information

Carryforward balances

Investment tax credits	37,158
Financial statement reserve	100,083

Summary of provincial information – provincial income tax payable

	Ontario	Québec (CO-17)	Alberta (AT1)
Net income	841,300		
Taxable income			
% Allocation	100.00		
Attributed taxable income			
Tax payable before deduction*			
Deductions and credits			
Net tax payable			
Attributed taxable capital	N/A		N/A
Capital tax payable**	N/A		N/A
Total tax payable***			
Instalments and refundable credits			
Balance due/Refund (-)			

Logging tax payable (COZ-1179)

	Ontario	Québec (CO-17)	Alberta (AT1)
Tax payable	N/A		N/A

* For Québec, this includes special taxes.

** For Québec, this includes compensation tax and registration fee.

*** For Ontario, this includes the corporate minimum tax, the Crown royalties' additional tax, the transitional tax debit, the recaptured research and development tax credit and the special additional tax debit on life insurance corporations. The Balance due/Refund is included in the federal Balance due/refund.

Summary of provincial carryforward amounts

Other carryforward amounts

Ontario

Corporate minimum tax credit that can be carried forward over 20 years – Schedule 510 . . . 71,442

Summary – taxable capital

Federal

Corporate name	Taxable capital used to calculate the business limit reduction (T2, line 415)	Taxable capital used to calculate the SR&ED expenditure limit for a CCPC (Schedules 31 and 49)	Taxable capital used to calculate line 233 of the T2 return	Taxable capital used to calculate line 234 of the T2 return
InnPower Corporation	19,544,083	19,544,083	22,094,336	22,094,336
Innservices Utilities Inc.	182,708,032	182,708,032	187,892,000	187,892,000
Town of Innisfil				
Innterprises Inc.	553,661	553,661	802,084	802,084
Total	202,805,776	202,805,776	210,788,420	210,788,420

Québec

Corporate name	Paid-up capital used to calculate the Québec business limit reduction (CO-771) and to calculate the additional deduction for transportation costs of remote manufacturing SMEs (CO-156.TR)	Paid-up capital used to calculate the tax credit for investment (CO-1029.8.36.IN) and to determine the applicability of Form CO-1029.8.33.TE	Paid-up capital used to calculate the $1 million deduction (CO-1137.A and CO-1137.E)	Paid-up capital used to determine the applicability of Form CO-737.SI
Total				

Ontario

Corporate name	Specified capital used to calculate the expenditure limit – Ontario innovation tax credit (Schedule 566)
Total	

Other provinces

Corporate name	Capital used to calculate the Newfoundland and Labrador capital deduction on financial institutions (Schedule 306)
Total	

Five-Year Comparative Summary

Federal information (T2)

	Current year	1st prior year	2nd prior year	3rd prior year	4th prior year
Taxation year end	**2019-12-31**	**2018-12-31**	**2017-12-31**	**2016-12-31**	**2015-12-31**
Net income	841,300	874,644	-1,317,808		
Taxable income		29,747			
Active business income	2,234,300	2,151,644			
Dividends paid					
Dividends paid – Regular					
Dividends paid – Eligible					
LRIP – end of the previous year					
LRIP – end of the year					
GRIP – end of the previous year	21,418				
GRIP – end of the year	21,418	21,418			
Donations	2,876	11,070			
Balance due/refund (-)		46,866			
Line 996 – Amended tax return	☐	☐	☐	☐	☐

Loss carrybacks requested in prior years to reduce taxable income

Taxation year end	**2019-12-31**	**2018-12-31**	**2017-12-31**	**2016-12-31**	**2015-12-31**
Taxable income before loss carrybacks	N/A	N/A			
Non-capital losses	N/A	N/A			793,053
Net capital losses (50%)	N/A	N/A			
Restricted farm losses	N/A	N/A			
Farm losses	N/A	N/A			
Listed personal property losses (50%)	N/A	N/A			
Total loss carried back to prior years	N/A	N/A			793,053
Adjusted taxable income after loss carrybacks	N/A	N/A			

Losses in the current year carried back to previous years to reduce taxable income (according to Schedule 4)

Taxation year end	**2019-12-31**	**2018-12-31**	**2017-12-31**	**2016-12-31**	**2015-12-31**
Adjusted taxable income before current year loss carrybacks*	N/A	29,747			N/A
Non-capital losses	N/A				N/A
Net capital losses (50%)	N/A				N/A
Restricted farm losses	N/A				N/A
Farm losses	N/A				N/A
Listed personal property losses (50%)	N/A				N/A
Total current year losses carried back to prior years	N/A				N/A
Adjusted taxable income after loss carrybacks	N/A	29,747			N/A

* The adjusted taxable income before current year loss carryback takes into account loss carrybacks that were made in prior taxation years.

Loss carrybacks requested in prior years to reduce taxable dividends subject to Part IV tax

Taxation year end	2019-12-31	2018-12-31	2017-12-31	2016-12-31	2015-12-31
Adjusted Part IV tax multiplied by the multiplication factor**, before loss carrybacks	N/A	N/A			
Non-capital losses	N/A	N/A			
Farm losses	N/A	N/A			
Total loss carried back to prior years	N/A	N/A			
Adjusted Part IV tax multiplied by the multiplication factor**, after loss carrybacks	N/A	N/A			

Losses in the current year carried back to previous years to reduce taxable dividends subject to Part IV tax (according to Schedule 4)

Taxation year end	2019-12-31	2018-12-31	2017-12-31	2016-12-31	2015-12-31
Adjusted Part IV tax multiplied by the multiplication factor**, before current-year loss carrybacks***	N/A				N/A
Non-capital losses	N/A				N/A
Farm losses	N/A				N/A
Total current year losses carried back to prior years	N/A				N/A
Adjusted Part IV tax multiplied by the multiplication factor**, after loss carrybacks	N/A				N/A

** The multiplication factor is 3 for dividends received before January 1, 2016, and 100 / 38 1/3 for dividends received after December 31, 2015.

*** The adjusted Part IV tax multiplied by the multiplication factor before current-year loss carrybacks takes into account loss carrybacks that were made in prior taxation years. This amount is multiplied by the multiplication factor to help you determine the loss amount that must be used to reduce Part IV tax payable to zero.

Federal taxes

Taxation year end	2019-12-31	2018-12-31	2017-12-31	2016-12-31	2015-12-31
Part I					
Part IV					
Part III.1					
Other*					

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensative help.

Credits against part I tax

Taxation year end	2019-12-31	2018-12-31	2017-12-31	2016-12-31	2015-12-31
Small business deduction					
M&P deduction					
Foreign tax credit					
Investment tax credit		4,462			
Abatement/other*		6,842			

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensative help.

Refunds/credits

Taxation year end	2019-12-31	2018-12-31	2017-12-31	2016-12-31	2015-12-31
ITC refund					
Dividend refund					
– Eligible dividends					
– Non-eligible dividends					
Instalments					
Other*					

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensative help.

Ontario

Taxation year end	2019-12-31	2018-12-31	2017-12-31	2016-12-31	2015-12-31
Net income	841,300	874,644	-1,317,808		
Taxable income		29,747			
% Allocation	100.00	100.00	100.00		
Attributed taxable income		29,747			
Surtax					
Income tax payable before deduction		3,421			
Income tax deductions /credits		3,421			
Net income tax payable					
Taxable capital					
Capital tax payable					
Total tax payable*		71,442			
Instalments and refundable credits		24,576			
Balance due/refund**		46,866			

* For taxation years ending before January 1, 2009, this includes the corporate minimum tax and the premium tax. For taxation years ending after December 31, 2008, this includes the corporate minimum tax, the Crown royalties' additional tax, the transitional tax debit, the recaptured research and development tax credit and the special additional tax debit on life insurance corporations.

** For taxation years ending after December 31, 2008, the Balance due/Refund is included in the federal Balance due/refund.

Canada Revenue Agency / Agence du revenu du Canada

Code 1501

Scientific Research and Experimental Development (SR&ED) Expenditures Claim

Use this form:
- to provide technical information on your SR&ED projects;
- to calculate your SR&ED expenditures; and
- to calculate your qualified SR&ED expenditures for investment tax credits (ITC).

To claim an ITC, use either:
- Schedule T2SCH31, *Investment Tax Credit – Corporations*, or
- Form T2038(IND), *Investment Tax Credit (Individuals)*.

The information requested in this form and documents supporting your expenditures and project information (Part 2) are prescribed information.

Your SR&ED claim must be filed within 12 months of the filing due date of your income tax return.

To help you fill out this form, use the T4088, *Guide to Form T661*, which is available on our Web site: **www.cra.gc.ca/sred**.

Part 1 – General information

010 Name of claimant: InnPower Corporation

Enter one of the following:
Business number (BN): 89242 2817 RC0001
Social insurance number (SIN):

Tax year
From: 2019-01-01 (Year Month Day)
To: 2019-12-31 (Year Month Day)

050 Total number of projects you are claiming this tax year: 1

100 Contact person for the financial information: Lisa McCaskie	**105** Telephone number/extension: (705) 431-6870	**110** Fax number
115 Contact person for the technical information: Danny Persaud	**120** Telephone number/extension: (705) 431-6870	**125** Fax number

151 If this claim is filed for a partnership, was Form T5013 filed? . . . . . 1 ☐ Yes 2 ☐ No

If you answered **no** to line 151, complete lines 153, 156 and 157.

153 Names of the partners	**156** %	**157** BN or SIN
1		
2		
3		
4		
5		

Part 2 - Project information

CRA internal form identifier 060
Code 1501

Complete a separate Part 2 for each project claimed this year.

Section A - Project identification

200 Project title (and identification code if applicable)

See schedule

Part 3 – Calculation of SR&ED expenditures

What did you spend on your SR&ED projects?

Section A – Select the method to calculate the SR&ED expenditures

I elect (choose) to use the following method to calculate my SR&ED expenditures and related investment tax credits (ITC) for this tax year.
I understand that my election is irrevocable (cannot be changed) for this tax year.

160 1 [X] I elect to use the proxy method
(Enter "0" on line 360 and complete Part 5.)

162 1 [ ] I choose to use the traditional method
(Enter "0" on lines 355 and 502. Complete line 360.)

Section B – Calculation of allowable SR&ED expenditures (to the nearest dollar)

	Line		Amount
• SR&ED portion of salary or wages of employees directly engaged in the SR&ED:			
a) Employees other than specified employees for work performed in Canada	300	+	59,853
b) Specified employees for work performed in Canada	305	+	
Subtotal (add lines 300 and 305)	306	=	59,853
c) Employees other than specified employees for work performed outside Canada (subject to limitations – see guide)	307	+	
d) Specified employees for work performed outside Canada (subject to limitations – see guide)	309	+	
• Salary or wages identified on line 315 in prior years that were paid in this tax year	310	+	
• Salary or wages incurred in the year but not paid within 180 days of the tax year end	315		
• Cost of materials consumed in performing SR&ED	320	+	
• Cost of materials transformed in performing SR&ED	325	+	
• Contract expenditures for SR&ED performed on your behalf:			
a) Arm's length contracts (see note 1)	340	+	52,743
b) Non-arm's length contracts (see note 1)	345	+	
• Lease costs of equipment used **before 2014**:			
a) All or substantially all (90% of the time or more) for SR&ED	350	+	
b) Primarily (more than 50% of the time but less than 90%) for SR&ED. (Enter 50% of lease costs if you use the proxy method or enter "0" if you use the traditional method)	355	+	
• Overhead and other expenditures (enter "0" if you use the proxy method)	360	+	
• Third-party payments (see note 2) (complete Form T1263*)	370	+	
Total current SR&ED expenditures (add lines 306 to 370; do not add line 315) (Corporations may need to adjust line 118 of schedule T2SCH1)	380	=	112,596
• Capital expenditures for depreciable property available for use **before 2014** (Do not include these capital expenditures on schedule T2SCH8)	390	+	
Total allowable SR&ED expenditures (add lines 380 and 390)	400	=	112,596

Section C – Calculation of pool of deductible SR&ED expenditures (to the nearest dollar)

	Line		Amount
Amount from line 400	420		112,596
Deduct			
• provincial government assistance for expenditures included on line 400	429	–	3,516
• other government assistance for expenditures included on line 400	431	–	1,577
• non-government assistance for expenditures included on line 400	432	–	
• SR&ED ITCs applied and/or refunded in the prior year (see guide)	435	–	4,462
• sale of SR&ED capital assets and other deductions	440	–	
Subtotal (line 420 minus lines 429 to 440)	442	=	103,041
Add			
• repayments of government and non-government assistance that previously reduced the SR&ED expenditure pool	445	+	
• prior year's pool balance of deductible SR&ED expenditures (from line 470 of prior year T661)	450	+	
• SR&ED expenditure pool transfer from amalgamation or wind-up	452	+	
• amount of SR&ED ITC recaptured in the prior year	453	+	
Amount available for deduction (add lines 442 to 453) (enter positive amount only, include negative amount in income)	455	=	103,041
• Deduction claimed in the year (Corporations should enter this amount on line 411 of schedule T2SCH1)	460	–	103,041
Pool balance of deductible SR&ED expenditures to be carried forward to future years (line 455 minus 460)	470	=	

* Form T1263, *Third-Party Payments for Scientific Research and Experimental Development (SR&ED)*

Note 1 – For contract expenditures made after 2013, no amounts for purchasing or leasing capital property can be included.

Note 2 – For third-party payments made after 2013, no amounts for purchasing or leasing capital property can be included.

Part 4 – Calculation of qualified SR&ED expenditures for investment tax credit (ITC) purposes

The resulting amount is used to calculate your refundable and/or non refundable ITC.

Enter the breakdown between current and capital expenditures (to the nearest dollar)

	Line	Current Expenditures	Line	Capital Expenditures
Total expenditures for SR&ED (from lines 380 and 390)	492	112,596	496	
Add				
• payment of prior years' unpaid amounts (other than salary or wages) (see note 5)	500 +			
• prescribed proxy amount (complete Part 5) (Enter "0" if you use the traditional method)	502 +	32,417		
• expenditures on shared-use equipment for property acquired **before 2014**			504 +	
• qualified expenditures transferred to you (see note 3) (complete Form T1146**)	508 +		510 +	
Subtotal (add lines 492 to 508, and add lines 496 to 510)	511 =	145,013	512 =	
Deduct (see note 4)				
• provincial government assistance	513 –	4,651	514 –	
• other government assistance	515 –	1,577	516 –	
• non-government assistance and contract payments	517 –		518 –	
• current expenditures (other than salary or wages) not paid within 180 days of the tax year end (see note 5)	520 –			
• amounts paid in respect of an SR&ED contract to a person or partnership that is not a taxable supplier	528 –			
• 20% of expenditures included on lines 340 and 370	529 –	10,549		
• prescribed expenditures not allowed by regulations (see guide)	530 –		532 –	
• other deductions (see guide)	533 –		535 –	
• non-arm's length transactions				
– assistance allocated to you (complete Form T1145*)	538 –		540 –	
– expenditures for non-arm's length SR&ED contracts (from line 345)	541 –			
– adjustments to purchases (limited to costs) of goods and services from non-arm's length suppliers (see guide)	542 –		543 –	
– qualified expenditures you transferred (complete Form T1146**)	544 –		546 –	
Subtotal (line 511 minus lines 513 to 544 and line 512 minus lines 514 to 546)	557 =	128,236	558 =	
Qualified SR&ED expenditures (add lines 557 and 558)			559 =	128,236
Add				
• repayments of assistance and contract payments made in the year			560 +	
Total qualified SR&ED expenditures for ITC purposes (add lines 559 and 560)			570 =	128,236

* Form T1145, *Agreement to Allocate Assistance for SR&ED Between Persons Not Dealing at Arm's Length*

** Form T1146, *Agreement to Transfer Qualified Expenditures Incurred in Respect of SR&ED Contracts Between Persons Not Dealing at Arm's Length*

Note 3 – On line 510 (capital) – Only include expenditures made before 2014 by the transferor (performer). Complete the latest version of Form T1146.

Note 4 – On lines 514, 516, 518, 532, 535, 540, 543 and 546 – Only include amounts related to expenditures of a capital nature made before 2014.

Note 5 – For arm's length contracts, only include 80% of the contract amount.

Part 5 – Calculation of prescribed proxy amount (PPA)

A notional amount representing your overhead and other expenditures.

This part calculates the PPA to enter on line 502 in Part 4. Do not complete this part if you have chosen to use the traditional method in Part 3 (line 162).
You can only claim a PPA if you elected to use the proxy method for the year in Part 3 (line 160).

Special rules apply for specified employees. Calculate your salary base in Section A and the PPA in Section B.

Section A – Salary base

	Line		Amount
Salary or wages of employees other than specified employees (from lines 300 and 307)	810	+	59,853
Deduct			
Bonuses, remuneration based on profits, and taxable benefits that were included on line 810	812	–	913
Subtotal (line 810 minus 812)	814	=	58,940

Salary or wages of specified employees

850	852	854	856	858	860
Column 1	**Column 2**	**Column 3**	**Column 4**	**Column 5**	**Column 6**
Name of specified employee	Total salary or wages for the year (SR&ED and non-SR&ED) excluding bonuses, remuneration based on profits, and taxable benefits (to the nearest dollar)	% of time spent on SR&ED (maximum 75%)	Amount in column 2 multiplied by percentage in column 3	2,5 x A x B/365 A = Year's maximum pensionable earnings B = Number of days employed in tax year	Amount in column 4 or 5, whichever amount is less

(Enter total of column 6 on line 816) 816 +

Salary base (total of lines 814 and 816) 818 = 58,940

Section B – Prescribed proxy amount (PPA)

Enter 65% of the salary base (line 818) less 5% of the salary base for the number of 2013 calendar days in the tax year, and less 10% of the salary base for number of days after 2013 in the tax year (use the formula in the guide-line 820) 820 = 32,417

Enter the amount from line 820 on line 502 in Part 4 unless the overall cap on PPA applies to you.

(See the guide for explanation and example of the overall cap on PPA)

Part 6 – Project costs

Information requested in this part must be provided for **all** SR&ED projects claimed in the year.
Expenditures should be recorded and allocated on a project basis.

750	752	754	756
Project title or identification code	Salary or wages in the tax year (Total of lines 306 to 309)	Cost of materials in the tax year (Total of lines 320 and 325)	Contract expenditures for SR&ED performed on your behalf in the tax year (Total of lines 340 and 345)
1. 2019-01 Smart Devices for Grid Management	59,853		52,743
Total	59,853		52,743

Part 7 – Additional information

Expenditures for SR&ED performed by you in Canada (line 400 minus lines 307, 309, 340, 345, and 370) **605** 59,853

From the total you entered on line 605, estimate the percentage of distribution of the sources of funds for SR&ED performed within your organization.

	Line	Canadian (%)	Line	Foreign (%)
Internal	600	100.000		
Parent companies, subsidiaries, and affiliated companies	602		604	
Federal grants (do not include funds or tax credits from SR&ED tax incentives)	606			
Federal contracts	608			
Provincial funding	610			
SR&ED contract work performed for other companies on their behalf	612		614	
Other funding (e.g., universities, foreign governments)	616		618	

For statistical purposes indicate whether the work you performed falls within the realm of Basic or Applied research (to advance scientific knowledge) or Experimental development (to achieve a technological advancement):

620 1 [ ] Basic or Applied research **622** 1 [X] Experimental development

Enter the number of SR&ED personnel in full-time equivalents (FTE):

Scientists and engineers	632	1
Technologists and technicians	634	1
Managers and administrators	636	1
Other technical supporting staff	638	1

Part 8 – Claim checklist

To ensure your claim is complete, make sure you have:

1. used the current version of this form . . . [X]
2. entered the method you have chosen for reporting your SR&ED expenditures in Section A of Part 3 . . . [X]
3. completed Part 2 for each project . . . [X]
4. filed a completed Schedule T2SCH31 or Form T2038(IND) to claim ITCs on your qualified SR&ED expenditures . . . [X]
5. filed a completed Form T1145*, T1146**, T1174*** and/or T1263**** including any required attachments, if applicable . . . [X]

To expedite the processing of your claim, make sure you have:

1. completed Form T2, *Corporation Income Tax Return* or Form T1, *Income Tax and Benefit Return* . . . [X]
2. filed the appropriate provincial and/or territorial tax credit forms, if applicable . . . [X]
3. retained documents to support the SR&ED work performed and SR&ED expenditures you claimed . . . [X]
4. checked boxes 231 and 232 on page 2 of your T2 return to indicate attachment of Form T661 and Schedule T2SCH31 . . . [X]

* Form T1145, *Agreement to Allocate Assistance for SR&ED Between Persons Not Dealing at Arm's Length*

** Form T1146, *Agreement to Transfer Qualified Expenditures Incurred in Respect of SR&ED Contracts Between Persons Not Dealing at Arm's Length*

*** Form T1174, *Agreement Between Associated Corporations to Allocate Salary or Wages of Specified Employees for Scientific Research and Experimental Development (SR&ED)*

**** Form T1263, *Third-Party Payments for Scientific Research and Experimental Development (SR&ED)*

Part 9 – Claim preparer information

Information requested in this part must be provided for each claim preparer that has accepted consideration to prepare or assist in the preparation of this SR&ED claim. Certification is required on lines 935, 970, and 975.

A $1000 penalty may be assessed if the information requested below about the claim preparer(s) and billing arrangement(s), is missing, incomplete, or inaccurate. Where a claim preparer has prepared or assisted in the preparation of this SR&ED form, the claimant and the claim preparer will be jointly and severally, or solidarily, liable for the penalty.

935 Was a claim preparer engaged in any aspect of the preparation of this SR&ED claim?

1 [X] Yes (complete the claim preparer information table and lines 970 and 975 below)

2 [ ] No (complete lines 970 and 975)

Claim preparer information table

940	945	950	955	960	965
Name of claim preparer (company or individual)	Business number	Billing arrangement code (see codes*)	Billing rate (percentage, hourly/daily rate or flat fee)	Other billing arrangement(s) (Maximum 10 words)	Total fee paid, payable, or expected to pay
				Total	

*** Billing arrangement codes**

Code	Type of billing arrangement
1	Contingency fee arrangement – where the fee is based on a percentage of the investment tax credit earned
2	Hourly rate
3	Daily rate
4	Flat fee arrangement (lump sum)
5	Other arrangements – describe the arrangement in box 960 in 10 words or less

970 I, Glen McAllister, certify that the information provided in this part is complete
Name of authorized signing officer of the corporation, or individual (print)
and accurate.

Signature

975 2020-06-24
Year Month Day

Part 10 – Certification

I certify that I have examined the information provided on this form and on the attachments and it is true, correct, and complete.

165 Glen McAllister
Name of authorized signing officer of the corporation, or individual

Signature

170
Date

175 KPMG LLP
Name of person/firm who completed this form

Privacy Notice

Personal information is collected pursuant to subsections 37(1), 37(11), and 162(5.1) of the *Income Tax Act* (the Act) and is used for verification of compliance, administration and enforcement of the Scientific Research and Experimental Development (SR&ED) program requirements.

Information may also be used for the administration and enforcement of other provisions of the Act, including assessment, audit, enforcement, collections, and appeals, and may be disclosed under information-sharing agreements in accordance with the Act. Incomplete or inaccurate information may result in assessment of monetary penalties and delays in processing SR&ED claims.

The social insurance number is collected pursuant to section 237 of the Act and is used for identification purposes.

Information is described in personal information bank CRA PPU 441 “Scientific Research and Experimental Development” in the Canada Revenue Agency (CRA) chapter of *Info Source*. Personal information is protected under the *Privacy Act*, and individuals have a right of access to, correction, and protection of their personal information. Further details regarding requests for personal information at the CRA and our *Info Source* chapter can be found at www.cra.gc.ca/atip.

Part 2 – Project information (continued)

Project number **1**

CRA internal form identifier 060
Code 1501

Complete a separate Part 2 for each project claimed this year.

Section A – Project identification

200 Project title (and identification code if applicable)

2019-01 Smart Devices for Grid Management

202 Project start date	**204** Completion or expected completion date	**206** Field of science or technology code (See guide for list of codes)
2017-10 (Year Month)	2020-11 (Year Month)	2.02.01 Electrical and electronic engineering

Project claim history

208 1 [X] Continuation of a previously claimed project **210** 1 [ ] First claim for the project

218 Was any of the work done jointly or in collaboration with other businesses? . . . . 1 [ ] Yes 2 [X] No

If you answered **yes** to line 218, complete lines 220 and 221.

	220 Names of the businesses	**221** BN
1		
2		
3		

Section B – Project descriptions

242 What scientific or technological uncertainties did you attempt to overcome?
(*Maximum 50 lines*)

InnPower Inc. ("InnPower" or "the company") operates ten substations, each with an incoming voltage of 44,000 volts. There are over 525 kilometers of high voltage lines under the company's jurisdiction, covering a 290 square kilometer service area within the Town of Innisfil and South Barrie. In seeking to advance technologies required to achieve smart grid capabilities, the following technological uncertainties needed to be addressed.

Smart grid technologies invariably leverage networks for inter-connectivity, multiple sensors and remotely activated/controlled devices and micro-controllers. Exposure to the cyber world necessitates research rigor to understand implications to the security of the grid and the confidentiality of the information that is transmitted. With the increase in advanced attack vectors, InnPower is seeking to improve the cyber security on various segments of the smart grid. However, constantly evolving cyber security threats presents challenges in determining a robust solution, given the trade-off relationship that can exist between communication throughput performance and security.

GIS network is a critical grid system for various purposes including pinpointing the geospatial location of assets and faults. Due to legacy issues, InnPower sought to advance their system by integrating with ESRI's geometric network. However, a challenge with the existing model was that it did not allow for single phase tracing. Therefore, it was unknown how to develop a GIS model that would allow better asset management, web based trace reporting, enhanced troubleshooting and analysis from the field in real-time.

Power distribution networks are susceptible to faults caused by different sources such as adverse weather conditions and equipment failure. InnPower sought to integrate fault indicators in the transmission lines to identify faults. However, it was unknown if the proposed number of fault indicators will be sufficient to track the faults, while not impacting on the power quality monitoring.

InnPower sought to develop techniques to accurately predict future distribution loads with an objective of meeting the demand and supply equilibrium. However, accurate load forecasting calculations is challenging due to the arbitrary nature of loads which may vary depending on complex parameters such as change in temperature, humidity, and other factors that

242 What scientific or technological uncertainties did you attempt to overcome?
(*Maximum 50 lines*)

influence consumption.

244 What work did you perform **in the tax year** to overcome the scientific or technological uncertainties described in line 242?
(Summarize the systematic investigation or search) (*Maximum 100 lines*)

Experiments carried out in FY19 focused on preventing unauthorized access to nodes within the grid, along with role-based authentication. A standard based framework (Authentication Authorization and Accounting-AAA)) was implemented to control the use of network resources. This was achieved using a three element approach: authentication; authorization and accounting. Authentication process is used to identify and authenticate if a given user seeks to access the network. After the subject gains access to the network resources through authentication, authorization process is used in place to enforce policies on network resources. This is used to determine what resources the user is allowed to access and the operations that can be performed. Accounting process is used to monitor and capture the events done by the user while accessing the network resources. These efforts led to a reduction of the grid's vulnerability to security threats.

The development of a new GIS network model was based on an ESRI utility network model (UNM), which required investigation on how to integrate various internal applications that were not designed to work seamlessly with the model. Subsequent investigations focused on exploring different schemas for communication with an objective of developing a common information model (CIM) that would allow integrations between OMS, CIS and SCADA systems. One of the attempts targeted AutoCAD GIS which exhibited integration challenges with the ESRI geospatial model. Experimentation carried out included data analysis and iterations/transformation of legacy symbologies to make it compatible with ESRI model. This was done in order to facilitate interoperability with InnPower's Outage Management System (OMS) for operations such as performing short fault calculations at any given transmission path. Experiments will be continued in the next year to develop a CIM model.

As part of the smart grid R&D efforts, a study was initiated to determine how to rapidly identify or infer faults which could also include power quality degradations on the distribution system. The study involved the introduction and piloting of new fault indicator devices and how their responsiveness and coverages could improve monitoring. Field studies proved that in the event of no RF obstructions, an effective 6-8 mile range could be obtained using a single fault indicator. Studies will continue into the next FY in how to architecture the fault indicator network to enable accurate root cause analysis or prediction of specific events with respect to power quality issues.

In FY19, InnPower developed a model to accurately forecast the distribution loads. Network redundancies were investigated with an objective of re-routing the feeder failures. Anticipated load models were developed based on surface densities and the statistics based on load intensifications due to potential EV (electric vehicles) charging stations in the near future. These models helped InnPower to identify limitations with respect to capacity and load profiles. Consequently, experiments are currently being carried out to improve the grid's responsiveness in handling outages.

Experiments were carried out to accurately determine the industrial commercial loads based on the historical loads. The process involved the development of techniques to calculate the voltage-ampere characteristics per square meter of coverage area such that electrical loads can be predicted for up to next 15 years. This research has generated new knowledge in load forecasting with reduced margin of error.

246 What scientific or technological advancements did you achieve or attempt to achieve as a result of the work described in line 244? (*Maximum 50 lines*)

The work performed for this project in FY19 represents a technological

2.	advancement in the fields of Electrical and Electronic Engineering.
3.	InnPower advanced the understanding of how to develop techniques to prevent
4.	attacks on the InnPower's Wi-Max communication network. This helped InnPower
5.	to improve the cyber security on its various building blocks of the Smart
6.	Grid's operational systems, including SCADA Systems, Smart Meters, and
7.	Substations.
8.	InnPower successfully developed a new GIS (geographical information system)
9.	network model that would allow integrations between OMS, CIS and SCADA
10.	systems.
11.	InnPower carried out analysis to determine the location of the fault
12.	indicators in order to effectively identify line faults. This advanced the
13.	understanding of how to develop a fault-detection collaboration coverage
14.	model in the near future without any negative impacts on power quality
15.	monitoring.
16.	InnPower successfully developed forecast models to accurately predict future
17.	distribution loads. This advanced the understanding of how to plan for the
18.	unexpected peak loads that may be caused by the anticipated proliferation of
19.	EV loads.

Section C – Additional project information

Who prepared the responses for Section B?

253 1 [X] Employee directly involved in the project	254 Name: Danny Persaud	
255 1 [ ] Other employee of the company	256 Name:	
257 1 [X] External consultant	258 Name: KPMG LLP	259 Firm: KPMG LLP

List the key individuals directly involved in the project and indicate their qualifications/experience.

	260 Names	261 Qualifications/experience and position title
1	Danny Persaud	COO, B.Eng. Engineering Systems and Computing, 10+ years of Engineering Experience.
2	Morteza Mirkeshmiri	Power System Designer, 10+ years of Engineering Experience.
3		

265 Are you claiming any salary or wages for SR&ED performed outside Canada? . . . . 1 [ ] Yes 2 [X] No

266 Are you claiming expenditures for SR&ED carried out on behalf of another party? . . . . 1 [ ] Yes 2 [X] No

267 Are you claiming expenditures for SR&ED performed by people other than your employees? . . . . 1 [X] Yes 2 [ ] No

If you answered **yes** to line 267, complete lines 268 and 269.

	268 Names of individuals or companies	269 BN
1	MNP LLP	12188 2955 RT0001
2	UTS	89028 3161 RT0001

What evidence do you have to support your claim? (Check any that apply)
You do not need to submit these items with the claim. However, you are required to retain them in the event of a review.

270 1 [X] Project planning documents	276 1 [X] Progress reports, minutes of project meetings
271 1 [X] Records of resources allocated to the project, time sheets	277 1 [X] Test protocols, test data, analysis of test results, conclusions
272 1 [X] Design of experiments	278 1 [ ] Photographs and videos
273 1 [X] Project records, laboratory notebooks	279 1 [ ] Samples, prototypes, scrap or other artefacts
274 1 [ ] Design, system architecture and source code	280 1 [X] Contracts
275 1 [ ] Records of trial runs	281 1 [ ] Others, specify 282 ________

Tax Instalments

For the taxation year ended 2020-12-31

Business number 89242 2817 RC0001

The following is a list of instalments payable for the current taxation year, and the last column indicates the instalments payable to the Ministry of Finance. The instalments must be paid on each of the dates indicated below, otherwise non-deductible interest might be charged.

- ○
- ○
- ○
- ○

You can mail a cheque or a money order payable to the Minister of Finance, to Ministry of Finance, HYDRO PILS DIVISION, 33 King St, PO Box 620, Oshawa ON L1H 8E9.

Do you want to calculate the instalments according to the extended payment date (COVID-19)?* [X] Yes [ ] No

* The answer to this question is **Yes** when at least one of the dates entered in the **Monthly instalments workchart** or the **Quarterly instalments workchart** sections is after March 17, 2020, and before September 1, 2020.

Monthly instalment workchart

Date	Monthly tax instalments	Refund transferred to instalments	Instalments paid	Cumulative difference	Instalments payable
2020-01-31	10,384				10,384
2020-02-29	10,384				10,384
2020-03-31					
2020-04-30					
2020-05-31					
2020-06-30					
2020-07-31					
2020-08-31					
2020-09-30	10,384				10,384
2020-10-31	10,384				10,384
2020-11-30	10,384				10,384
2020-12-31	10,373				10,373
Instalment (COVID-19)					
2020-09-01	62,304				62,304
Totals	124,597				124,597

Canada Revenue Agency / Agence du revenu du Canada

T2 Corporation Income Tax Return

200

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

All legislative references on this return are to the federal Income Tax Act and Income Tax Regulations. This return may contain changes that had not yet become law at the time of publication.

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

For more information see **canada.ca/taxes** or Guide T4012, T2 Corporation – Income Tax Guide.

055 **Do not use this area**

Identification

Business number (BN) 001 89242 2817 RC0001

Corporation's name
002 InnPower Corporation

Address of head office
Has this address changed since the last time we were notified? 010 Yes [ ] No [X]
If **yes**, complete lines 011 to 018.
011 7251 Yonge Street
012
City: 015 Innisfil
Province, territory, or state: 016 ON
Country (other than Canada): 017
Postal or ZIP code: 018 L9S 0J3

Mailing address (if different from head office address)
Has this address changed since the last time we were notified? 020 Yes [ ] No [X]
If **yes**, complete lines 021 to 028.
021 c/o
022 7251 Yonge Street
023
City: 025 Innisfil
Province, territory, or state: 026 ON
Country (other than Canada): 027
Postal or ZIP code: 028 L9S 0J3

Location of books and records (if different from head office address)
Has this address changed since the last time we were notified? 030 Yes [ ] No [X]
If **yes**, complete lines 031 to 038.
031 7251 Yonge Street
032
City: 035 Innisfil
Province, territory, or state: 036 ON
Country (other than Canada): 037
Postal or ZIP code: 038 L9S 0J3

040 **Type of corporation at the end of the tax year** (tick one)
- [X] 1 Canadian-controlled private corporation (CCPC)
- [ ] 2 Other private corporation
- [ ] 3 Public corporation
- [ ] 4 Corporation controlled by a public corporation
- [ ] 5 Other corporation (specify)

If the type of corporation changed during the tax year, provide the effective date of the change 043 Year Month Day

To which tax year does this return apply?
Tax year start (Year Month Day) 060 2019-01-01
Tax year-end (Year Month Day) 061 2019-12-31

Has there been an acquisition of control resulting in the application of subsection 249(4) since the tax year start on line 060? 063 Yes [ ] No [X]

If **yes**, provide the date control was acquired 065 Year Month Day

Is the date on line 061 a deemed tax year-end according to subsection 249(3.1)? 066 Yes [ ] No [X]

Is the corporation a professional corporation that is a member of a partnership? 067 Yes [ ] No [X]

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

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

Is this the final tax year before amalgamation? 076 Yes [ ] No [X]

Is this the final return up to dissolution? 078 Yes [ ] No [X]

If an election was made under section 261, state the functional currency used 079

Is the corporation a resident of Canada? 080 Yes [X] No [ ]
If **no**, give the country of residence on line 081 and complete and attach Schedule 97.
081

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

If the corporation is exempt from tax under section 149, tick one of the following boxes:
085
- [ ] 1 Exempt under paragraph 149(1)(e) or (l)
- [ ] 2 Exempt under paragraph 149(1)(j)
- [ ] 3 Exempt under paragraph 149(1)(t) (for tax years starting before 2019)
- [ ] 4 Exempt under other paragraphs of section 149

Do not use this area
095 096 898

Attachments

Financial statement information: Use GIFI schedules 100, 125, and 141.
Schedules – Answer the following questions. For each **yes** response, **attach** the schedule to the T2 return, unless otherwise instructed.

		Yes	Schedule
Is the corporation related to any other corporations?	150	X	9
Is the corporation an associated CCPC?	160	X	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	161		49
Does the corporation have any non-resident shareholders who own voting shares?	151		19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
If you answered **yes** to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
Is the corporation claiming a loss or deduction from a tax shelter?	166		T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	167		T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust (without reference to section 94)?	168		22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	169		25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the Income Tax Regulations?	170		29
Did the corporation have a total amount over CAN$1 million of reportable transactions with non-arm's length non-residents?	171		T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172		
Does the corporation earn income from one or more Internet web pages or websites?	180		88
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
Has the corporation made any charitable donations; gifts of cultural or ecological property; or gifts of medicine?	202	X	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203		3
Is the corporation claiming any type of losses?	204		4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205	X	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	206		6
i) Is the corporation a CCPC and reporting a) income or loss from property (other than dividends deductible on line 320 of the T2 return), b) income from a partnership, c) income from a foreign business, d) income from a personal services business, e) income referred to in clause 125(1)(a)(i)(C) or 125(1)(a)(i)(B), f) aggregate investment income as defined in subsection 129(4), or g) an amount assigned to it under subsection 125(3.2) or 125(8); or ii) Is the corporation a member of a partnership and assigning its specified partnership business limit to a designated member under subsection 125(8)?	207	X	7
Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
Does the corporation have any resource-related deductions?	212		12
Is the corporation claiming deductible reserves?	213		13
Is the corporation claiming a patronage dividend deduction?	216		16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or a provincial credit union tax reduction?	217		17
Is the corporation an investment corporation or a mutual fund corporation?	218		18
Is the corporation carrying on business in Canada as a non-resident corporation?	220		20
Is the corporation claiming any federal, provincial, or territorial foreign tax credits, or any federal logging tax credits?	221		21
Does the corporation have any Canadian manufacturing and processing profits?	227		27
Is the corporation claiming an investment tax credit?	231	X	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232	X	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over $10,000,000?	233	X	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over $10,000,000?	234	X	
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
Is the corporation claiming a Part I tax credit?	242		42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
Is the corporation subject to Part II tax for the tobacco manufacturers' surcharge?	249		46
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250		39
Is the corporation claiming a Canadian film or video production tax credit?	253		T1131
Is the corporation claiming a film or video production services tax credit?	254		T1177
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	255		92

Attachments (continued)

		Yes	Schedule
Did the corporation have any foreign affiliates in the tax year?	271		T1134
Did the corporation own or hold specified foreign property where the total cost amount of all such property, at any time in the year, was more than CAN$100,000?	259		T1135
Did the corporation transfer or loan property to a non-resident trust?	260		T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261		T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262		T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263		T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264		T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	265		55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	266		T2002
Has the corporation revoked any previous election made under subsection 89(11)?	267		T2002
Did the corporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its general rate income pool (GRIP) change in the tax year?	268	X	53
Did the corporation (other than a CCPC or DIC) pay eligible dividends, or did its low rate income pool (LRIP) change in the tax year?	269		54

Additional information

		Yes	No
Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	X	
Is the corporation inactive?	280		X

What is the corporation's main revenue-generating business activity? 221122 Electric Power Distribution

Specify the principal products mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

Line	Product or service	Line	%
284	Electricity distributor	285	100.000 %
286		287	%
288		289	%

		Yes	No
Did the corporation immigrate to Canada during the tax year?	291		X
Did the corporation emigrate from Canada during the tax year?	292		X
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293		

If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible **294** Year Month Day

		Yes	No
If the corporation's major business activity is construction, did you have any subcontractors during the tax year?	295		

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI	300			850,855	A
Deduct:					
Charitable donations from Schedule 2	311	2,876			
Cultural gifts from Schedule 2	313				
Ecological gifts from Schedule 2	314				
Gifts of medicine made before March 22, 2017, from Schedule 2	315				
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320				
Part VI.1 tax deduction*	325				
Non-capital losses of previous tax years from Schedule 4	331				
Net capital losses of previous tax years from Schedule 4	332				
Restricted farm losses of previous tax years from Schedule 4	333				
Farm losses of previous tax years from Schedule 4	334				
Limited partnership losses of previous tax years from Schedule 4	335				
Taxable capital gains or taxable dividends allocated from a central credit union	340				
Prospector's and grubstaker's shares	350				
Employer deduction for non-qualified securities under an employee stock options agreement			a		
Subtotal		2,876	▶	2,876	B
Subtotal (amount A **minus** amount B) (if negative, enter "0")				847,979	C
Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355				D
Taxable income (amount C **plus** amount D)	360			847,979	
Income exempt under paragraph 149(1)(t) (for tax years starting before 2019)	370				
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 **minus** line 370)				847,979	Z
Taxable income for the year from a personal services business					Z.1

* This amount is equal to 3.5 times the Part VI.1 tax payable at line 724 on page 9.

Small business deduction

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

Income eligible for the small business deduction from Schedule 7	400	2,243,855	A
Taxable income from line 360 on page 3, **minus** 100/28 (3.57143) of the amount on line 632* on page 8, **minus** 4 times the amount on line 636** on page 8, and **minus** any amount that, because of federal law, is exempt from Part I tax	405	847,979	B
Business limit (see notes 1 and 2 below)	410		C

Notes:

1. For CCPCs that are not associated, enter $ 500,000 on line 410. However, if the corporation's tax year is less than 51 weeks, prorate this amount by the number of days in the tax year **divided** by 365, and enter the result on line 410.
2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

Business limit reduction

Taxable capital business limit reduction

Amount C ________ x 415 *** 433,813 D / 11,250 = ________ E

Passive income business limit reduction

Adjusted aggregate investment income from Schedule 7**** . 417 ________ – 50,000 = ________ F

Amount C ________ x Amount F ________ / 100,000 = ________ G

Subtotal (the greater of amount E and amount G)	422		H
Reduced business limit for tax years starting before 2019 (amount C **minus** amount E) (if negative, enter "0")	425		I
Reduced business limit for tax years starting after 2018 (amount C **minus** amount H) (if negative, enter "0")	426		J
Business limit the CCPC assigns under subsection 125(3.2) (from line 515 on page 5)			K
Reduced business limit after assignment for tax years starting before 2019 (amount I **minus** amount K)	427		L
Reduced business limit after assignment for tax years starting after 2018 (amount J **minus** amount K)	428		M

Small business deduction

Tax years starting before 2019

Amount A, B, C, or L, whichever is the least		x	Number of days in the tax year before January 1, 2018 / Number of days in the tax year	___ / 365	x 17.5 % =	1
Amount A, B, C, or L, whichever is the least		x	Number of days in the tax year after December 31, 2017, and before January 1, 2019 / Number of days in the tax year	___ / 365	x 18 % =	2
Amount A, B, C, or L, whichever is the least		x	Number of days in the tax year after December 31, 2018 / Number of days in the tax year	365 / 365	x 19 % =	3

Tax years starting after 2018

Amount A, B, C, or M, whichever is the least ________ x 19 % = ________ 4

Small business deduction (total of amounts 1 to 4) 430 ________ N

Enter amount N at amount J on page 8.

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

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

*** **Large corporations**

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

**** Enter the total adjusted aggregate investment income of the corporation and all associated corporations. Each corporation with such income has to file a Schedule 7, which includes a line 744 and a line 745. For the first tax year starting after 2018, use the total of lines 744. Otherwise, use the total of lines 745 of the preceding tax year.

Small business deduction (continued)

Specified corporate income and assignment under subsection 125(3.2)

	O1 Name of corporation receiving the income and assigned amount	O Business number of the corporation receiving the assigned amount 490	P Income paid under clause 125(1)(a)(i)(B) to the corporation identified in column O [3] 500	Q Business limit assigned to corporation identified in column O [4] 505
1.				
		Total 510		Total 515

Notes:

3. This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts each of which is income from an active business of the corporation for the year from the provision of services or property to a private corporation (directly or indirectly, in any manner whatever) if
(A) at any time in the year, the corporation (or one of its shareholders) or a person who does not deal at arm's length with the corporation (or one of its shareholders) holds a direct or indirect interest in the private corporation, and
(B) it is not the case that all or substantially all of the corporation's income for the year from an active business is from the provision of services or property to
(I) persons (other than the private corporation) with which the corporation deals at arm's length, or
(II) partnerships with which the corporation deals at arm's length, other than a partnership in which a person that does not deal at arm's length with the corporation holds a direct or indirect interest.
4. The amount of the business limit you assign to a CCPC cannot be greater than the amount determined by the formula A – B, where A is the amount of income referred to in column P in respect of that CCPC and B is the portion of the amount described in A that is deductible by you in respect of the amount of income referred to in clauses 125(1)(a)(i)(A) or (B) for the year. The amount on line 515 cannot be greater than the amount on line 425 (426 for tax years starting after 2018).

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the tax year

Taxable income from page 3 (line 360 or amount Z, whichever applies)			847,979	A
Lesser of amounts 9B and 9H from Part 9 of Schedule 27		B		
Amount 13K from Part 13 of Schedule 27		C		
Personal services business income	432	D		
Amount from line 400, 405, 410, or 427 (428 instead of 427 for tax years starting after 2018) on page 4, whichever is the least		E		
Aggregate investment income from line 440 on page 6*		F		
Subtotal (**add** amounts B to F)		►		G
Amount A **minus** amount G (if negative, enter "0")			847,979	H
General tax reduction for Canadian-controlled private corporations – Amount H **multiplied** by 13 %			110,237	I

Enter amount I on line 638 on page 8.

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

General tax reduction

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

Taxable income from page 3 (line 360 or amount Z, whichever applies)				J
Lesser of amounts 9B and 9H from Part 9 of Schedule 27		K		
Amount 13K from Part 13 of Schedule 27		L		
Personal services business income	434	M		
Subtotal (**add** amounts K to M)		►		N
Amount J **minus** amount N (if negative, enter "0")				O
General tax reduction – Amount O **multiplied** by 13 %				P

Enter amount P on line 639 on page 8.

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the tax year

Aggregate investment income from Schedule 7 . . . . **440** ______ x 30 2 / 3 % = ... ______ A

Foreign non-business income tax credit from line 632 on page 8 . . . . ______ B

Foreign investment income from Schedule 7 . . . . **445** ______ x 8 % = ______ C

Subtotal (amount B **minus** amount C) (if negative, enter "0") ______ ▶ ______ D

Amount A **minus** amount D (if negative, enter "0") . . . . ______ E

Taxable income from line 360 on page 3 . . . . 847,979 F

Amount from line 400, 405, 410, or 427 (428 instead of 427 for tax years starting after 2018) on page 4, whichever is the least . . . . ______ G

Foreign non-business income tax credit from line 632 on page 8 . . . . ______ x 75 / 29 = ______ H

Foreign business income tax credit from line 636 on page 8 . . ______ x 4 = ______ I

Subtotal (**add** amounts G to I) ______ ▶ ______ J

Subtotal (amount F **minus** amount J) (if negative, enter "0") 847,979 K x 30 2 / 3 % = 260,047 L

Part I tax payable minus investment tax credit refund (line 700 **minus** line 780 from page 9) . . . . 70,804 M

Refundable portion of Part I tax – Amount E, L, or M, whichever is the least . . . . **450** ______ N

Refundable dividend tax on hand (for tax years starting before 2019)

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

Dividend refund for the previous tax year . . . . **465** ______

Subtotal (line 460 **minus** line 465) ______ ▶ ______ O

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

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

Net refundable dividend tax on hand transferred on an amalgamation or the wind-up of a subsidiary . . . . **480** ______

Subtotal (amount P **plus** amount Q **plus** line 480) ______ ▶ ______ R

Refundable dividend tax on hand at the end of the tax year – Amount O **plus** amount R . . . . **485** ______

Dividend refund (for tax years starting before 2019)

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

Taxable dividends paid in the tax year from line 460 on page 3 of Schedule 3 . . . . . . ______ x 38 1 / 3 % = ______ S

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

Dividend refund – Amount S or T, whichever is less . . . . ______ U

Enter amount U on line 784 on page 9.

Refundable dividend tax on hand (for tax years starting after 2018)

Refundable dividend tax on hand (RDTOH) at the end of the previous tax year	460			
Dividend refund for the previous tax year	465			
Net RDTOH transferred on an amalgamation or the wind-up of a subsidiary	480			
Subtotal (line 460 **minus** line 465 **plus** line 480)				A
General rate income pool (GRIP) at the end of the previous tax year (from line 100 of schedule 53)			21,418	B
Total eligible dividends paid in the previous tax year (from line 300 of schedule 53)		C		
Total excessive eligible dividend designation in the previous tax year (from line 310 of Schedule 53)		D		
Subtotal (amount C **minus** amount D) (if negative, enter "0")		▶		E
Net GRIP at the end of the previous tax year (amount B **minus** amount E) (if negative, enter "0")	21,418	F		
GRIP transferred on an amalgamation or the wind-up of a subsidiary (total of lines 230 and 240 of schedule 53)		G		
Subtotal (amount F **plus** amount G)	21,418	▶	21,418	H
Amount H **multiplied** by 38 1 / 3 %			8,210	I
Eligible refundable dividend tax on hand (ERDTOH) at the end of the previous tax year (for the first tax year starting after 2018, amount A or I, whichever is less, otherwise, use line 530 ____ of the preceding tax year)		520		J
Non-eligible refundable dividend tax on hand (NERDTOH) at the end of the previous tax year (for the first tax year starting after 2018, amount A **minus** amount I, otherwise, use line 545 ____ of the preceding tax year) (if negative, enter "0")		535		K
Part IV tax payable on taxable dividends from connected corporations (amount 2G from Schedule 3)		L		
Part IV tax payable on eligible dividends from non-connected corporations (amount 2J from Schedule 3)		M		
Subtotal (amount L **plus** amount M)		▶		N
Net ERDTOH transferred on an amalgamation or the wind-up of a subsidiary		525		O
ERDTOH dividend refund for the previous tax year		570		P
Refundable portion of Part I tax (from line 450 on page 6)				Q
Part IV tax before deductions (amount 2A from Schedule 3)		R		
Part IV tax allocated to ERDTOH (amount N)		S		
Part IV tax reduction due to Part IV.1 tax payable (amount 4D of Schedule 43)		T		
Subtotal (amount R **minus** total of amounts S and T)		▶		U
Net NERDTOH transferred on an amalgamation or the wind-up of a subsidiary		540		V
NERDTOH dividend refund for the previous tax year		575		W
38 1/3% of the total losses applied against Part IV tax (amount 2D from Schedule 3)				X
Part IV tax payable allocated to NERDTOH, net of losses claimed (amount U **minus** amount X) (if negative enter "0")				Y
NERDTOH at the end of the tax year* (total of amounts K, Q, V, and Y **minus** amount W) (if negative, enter "0")		545		
Part IV tax payable allocated to ERDTOH, net of losses claimed (amount N **minus** the amount, if any, by which amount X exceeds amount U) (if negative, enter "0")				Z
ERDTOH at the end of the tax year* (total of amounts J, O, and Z **minus** amount P) (if negative, enter "0")		530		

* For more information, consult the Help (F1).

Dividend refund (for tax years starting after 2018)

38 1/3% of total eligible dividends paid in the tax year (amount 3A from Schedule 3)		AA
ERDTOH balance at the end of the tax year (line 530)		BB
Eligible dividend refund (amount AA or BB, whichever is less)		CC
38 1/3% of total non-eligible taxable dividends paid in the tax year (amount 3B from Schedule 3)		DD
NERDTOH balance at the end of the tax year (line 545)		EE
Non-eligible dividend refund (amount DD or EE, whichever is less)		FF
Amount DD **minus** amount EE (if negative, enter "0")		GG
Amount BB **minus** amount CC (if negative, enter "0")		HH
Additional non-eligible dividend refund (amount GG or HH, whichever is less)		II
Dividend refund* – Amount CC **plus** amount FF **plus** amount II		JJ

Enter amount JJ on line 784 on page 9.

* For more information, consult the Help (F1).

Part I tax

Base amount Part I tax – Taxable income from page 3 (line 360 or amount Z, whichever applies) **multiplied** by 38 %			**550**	322,232	A
Additional tax on personal services business income (section 123.5)					
Taxable income from a personal services business	**555**	x 5 % =	**560**		B
Recapture of investment tax credit from Schedule 31			**602**		C

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

Aggregate investment income from line 440 on page 6				D
Taxable income from line 360 on page 3	847,979	E		
Deduct:				
Amount from line 400, 405, 410, or 427 (428 instead of 427 for tax years starting after 2018) on page 4, whichever is the least		F		
Net amount (amount E **minus** amount F)	847,979	▶	847,979	G

Refundable tax on CCPC's investment income – 10 2/3 % of whichever is less: amount D or amount G	**604**		H
Subtotal (**add** amounts A, B, C, and H)		322,232	I

Deduct:

Small business deduction from line 430 on page 4			J		
Federal tax abatement	**608**	84,798			
Manufacturing and processing profits deduction from Schedule 27	**616**				
Investment corporation deduction	**620**				
Taxed capital gains **624**					
Federal foreign non-business income tax credit from Schedule 21	**632**				
Federal foreign business income tax credit from Schedule 21	**636**				
General tax reduction for CCPCs from amount I on page 5	**638**	110,237			
General tax reduction from amount P on page 5	**639**				
Federal logging tax credit from Schedule 21	**640**				
Eligible Canadian bank deduction under section 125.21	**641**				
Federal qualifying environmental trust tax credit	**648**				
Investment tax credit from Schedule 31	**652**	56,393			
Subtotal		251,428	▶	251,428	K

Part I tax payable – Amount I **minus** amount K	70,804	L

Enter amount L on line 700 on page 9.

Privacy statement

Personal information (including the SIN) is collected for the purposes of the administration or enforcement of the Income Tax Act and related programs and activities such as administering tax and benefits, audit, compliance, and collection. Personal information may be shared for purposes of other federal acts that provide for the imposition and collection of a tax or duty. Personal information may also be shared with other federal, provincial, territorial or foreign government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties or other actions. Under the Privacy Act, individuals have the right to access their personal information, request correction, or file a complaint to the Privacy Commissioner of Canada regarding the handling of the individual's personal information. Refer to Personal Information Bank CRA PPU 047 at **canada.ca/cra-info-source**.

Summary of tax and credits

Federal tax

Part I tax payable from amount L on page 8	700	70,804
Part II surcharge payable from Schedule 46	708	
Part III.1 tax payable from Schedule 55	710	
Part IV tax payable from Schedule 3	712	
Part IV.1 tax payable from Schedule 43	716	
Part VI tax payable from Schedule 38	720	
Part VI.1 tax payable from Schedule 43	724	
Part XIII.1 tax payable from Schedule 92	727	
Part XIV tax payable from Schedule 20	728	
Total federal tax		70,804

Add provincial or territorial tax:

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

Net provincial or territorial tax payable (except Quebec and Alberta)	760	53,793
Total tax payable	770	124,597 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780		
Dividend refund from amount U on page 6 or JJ on page 7	784		
Federal capital gains refund from Schedule 18	788		
Federal qualifying environmental trust tax credit refund	792		
Canadian film or video production tax credit (Form T1131)	796		
Film or video production services tax credit (Form T1177)	797		
Canadian journalism labour tax credit from Schedule 58	798		
Tax withheld at source	800		
Total payments on which tax has been withheld 801			
Provincial and territorial capital gains refund from Schedule 18	808		
Provincial and territorial refundable tax credits from Schedule 5	812		
Tax instalments paid	840	110,000	
Total credits	890	110,000 ▶	110,000 B

Balance (amount A **minus** amount B) 14,597

Refund code 894 Refund

If the result is negative, you have a **refund**.
If the result is positive, you have a **balance owing**.
Enter the amount on whichever line applies.
Generally, we do not charge or refund a difference of $2 or less.

Balance owing 14,597

For information on how to make your payment, go to **canada.ca/payments**.

Direct deposit request

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

☐ Start ☐ Change information

910 Branch number

914 Institution number 918 Account number

If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due? 896 Yes ☐ No ☒

If this return was prepared by a tax preparer for a fee, provide their EFILE number 920 G1829

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

Certification

I, 950 McAllister (Last name) 951 Glen (First name) 954 CFO (Position, office, or rank),

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

955 Date (yyyy/mm/dd) — Signature of the authorized signing officer of the corporation — 956 (705) 431-6870 Telephone number

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

958 Lisa McCaskie (Name of other authorized person) 959 (705) 431-6870 (Telephone number)

Language of correspondence – Langue de correspondance

Indicate your language of correspondence by entering **1** for English or **2** for French.
Indiquez votre langue de correspondance en inscrivant **1** pour anglais ou **2** pour français. 990 1

InnPower Corporation
89242 2817 RC0001
REGULATION 1101(5b.1) ELECTION FOR THE YEAR ENDED
December 31, 2019

InnPower Corporation (“InnPower”) is electing pursuant to paragraph 1101(5b.1) of the *Income Tax Regulations* to designate a separate 6% capital cost allowance class for eligible non-residential building additions acquired in the 2019 taxation year and included in Class 1.

Effectively, this election will permit InnPower to claim an additional 2% capital cost allowance on Class 1 additions acquired during the 2019 taxation year. The Class 1 acquisitions made in the taxation year to which this election should apply are as follows:

- Class 1b addition – $38,000

Schedule of Instalment Remittances

Name of corporation contact

Telephone number

Effective interest date	Description (instalment remittance, split payment, assessed credit)	Amount of credit
	2019 Instalment estimate	110,000

Total amount of instalments claimed (carry the result to line 840 of the T2 Return) 110,000 **A**

Total instalments credited to the taxation year per T9 110,000 **B**

Transfer

	Account number	Taxation year end	Amount	Effective interest date	Description
From:					
To:					
From:					
To:					
From:					
To:					
From:					
To:					
From:					
To:					

Canada Revenue Agency / Agence du revenu du Canada

Net Income (Loss) for Income Tax Purposes

Schedule 1

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2019-12-31

- Use this schedule to reconcile the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes. For more information, see the T2 Corporation – Income Tax Guide.
- All legislative references are to the Income Tax Act.

Net income (loss) after taxes and extraordinary items from line 9999 of Schedule 125			2,707,000	A

Add:

Provision for income taxes – current	101	-42,000		
Provision for income taxes – deferred	102	546,000		
Interest and penalties on taxes	103	1,119		
Amortization of tangible assets	104	2,656,000		
Loss on disposal of assets	111	76,000		
Charitable donations and gifts from Schedule 2	112	2,876		
Scientific research expenditures deducted per financial statements	118	112,596		
Non-deductible meals and entertainment expenses	121	4,867		
Reserves from financial statements – balance at the end of the year	126	100,083		
Subtotal of additions		3,457,541 ▶	3,457,541	

Other additions:

Miscellaneous other additions:

	1 Description 605	2 Amount 295
1	Inducement under 12(1)(x) ITA	6,456,576
2	Amortization expensed in distribution expenses	80,000
3	Customer Deposits - paragraph 20(1)(a)	39,000
4	Amortization of Capital Lease	21,000
5	EFB Movement not in Sch.13S	24,000
	Total of column 2	6,620,576

Total of column 2 ▶	296	6,620,576		
Subtotal of other additions	199	6,620,576 ▶	6,620,576	D
Total additions	500	10,078,117 ▶	10,078,117	
Amount A **plus** line 500			12,785,117	B

Deduct:

Capital cost allowance from Schedule 8	403	3,932,369		
SR&ED expenditures claimed in the year on line 460 from Form T661	411	103,041		
Reserves from financial statements – balance at the beginning of the year	414	178,083		
Subtotal of deductions		4,213,493 ▶	4,213,493	

Other deductions:

Miscellaneous other deductions:

	1 Description 705	2 Amount 395
1	13(7.4) electon re contributed capital	6,432,000
2	Capital Lease payments	25,000
3	Customer Deposits - paragraph 20(1)(m)	39,000
4	Amortization of deferred contribution	540,000
5	2019 tax movement in reg. account	571,000
6	Gov't asistance adding back for SR&ED	1,577

	1 Description 705	2 Amount 395			
7	SR&ED expenditures capitalized for accounting	112,192			
	Total of column 2	7,720,769	► 396	7,720,769	
		Subtotal of other deductions	499	7,720,769 ►	7,720,769 E
		Total deductions	510	11,934,262 ►	11,934,262

Net income (loss) for income tax purposes (amount B **minus** line 510) . . . . 850,855 C

Enter amount C on line 300 of the T2 return.

Inducement

This form is used to calculate inducements that a corporation must add to its income under paragraph 12(1)(x) ITA. If an amount reduces the capital cost of a property, this amount will be indicated in Part "Tax credits whose amount should reduce the capital cost of property."

If you want to transfer an amount to Schedule 1 and include it in the corporation's income for tax purposes, select the corresponding check box in column A. You can also select the option **Select this check box to add all the amounts to income calculated in Schedule 1** to transfer all the amounts to Schedule 1. In either case, the column A check box will be selected for that amount and it will therefore be updated to Schedule 1.

Tax credits whose amount should be added to income

Ontario

A		
[ ]	Portion of the Ontario research and development tax credit that relates to the prescribed proxy amount (PPA) and portion of the Ontario investment tax credit that relates to contributions made to SR&ED farming organizations	
X	Ontario co-operative education tax credit	24,576
[ ]	Ontario apprenticeship training tax credit	
[ ]	Ontario computer animation and special effects tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
[ ]	Ontario film and television tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
[ ]	Ontario production services tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
[ ]	Ontario interactive digital media tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
[ ]	Ontario sound recording tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
[ ]	Ontario book publishing tax credit	
[ ]	Portion of the Ontario innovation tax credit that relates to the prescribed proxy amount (PPA) and portion of the Ontario investment tax credit that relates to contributions made to SR&ED farming organizations	
[ ]	Ontario business-research institute tax credit	
[ ]	Ontario community food program donation tax credit for farmers	

Other amounts

A		
X	Contributed capital for fixed assets	6,432,000
	Total	6,432,000

Tax credits whose amount should reduce the capital cost of property

Canada Revenue Agency / Agence du revenu du Canada

Schedule 2

Charitable Donations and Gifts

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2019-12-31

- For use by corporations to claim any of the following:
  - the eligible amount of charitable donations to qualified donees
  - the Ontario, Nova Scotia, and British Columbia food donation tax credits for farmers
  - the eligible amount of gifts of certified cultural property
  - the eligible amount of gifts of certified ecologically sensitive land or
  - the additional deduction for gifts of medicine made before March 22, 2017
- All legislative references are to the federal Income Tax Act, unless stated otherwise.
- The eligible amount of a gift is the amount by which the fair market value of the gifted property exceeds the amount of an advantage, if any, for the gift.
- The donations and gifts can be carried forward for 5 years except for gifts of certified ecologically sensitive land made after February 10, 2014, which can be carried forward for 10 years. Provincial food donation tax credits must be applied in the current tax year.
- Use this schedule to show a transfer of unused amounts from previous years following an amalgamation or the wind-up of a subsidiary as described under subsections 87(1) and 88(1).
- Subsection 110.1(1.2) provides as follows:
  - Where a particular corporation has undergone an acquisition of control, for tax years that end on or after the acquisition of control, no corporation can claim a deduction for a gift made by the particular corporation to a qualified donee before the acquisition of control.
  - If a particular corporation makes a gift to a qualified donee pursuant to an arrangement under which both the gift and the acquisition of control is expected, no corporation can claim a deduction for the gift unless the person acquiring control of the particular corporation is the qualified donee.
- An eligible medical gift made before March 22, 2017, to a qualifying organization for activities outside of Canada may be eligible for an additional deduction. Calculate the additional deduction in Part 5.
- File this schedule with your T2 Corporation Income Tax Return.
- For more information, see the T2 Corporation – Income Tax Guide.

Part 1 – Charitable donations

Charity/Recipient	Amount ($100 or more only)
Move to Give	250
Rizzardo Health and Wellness	1,165
Senior wish Birthday/Christmas	250
Innisfil Community Church	1,211
Subtotal	2,876
Add: Total donations of less than $100 each	
Total donations in current tax year	2,876

Part 1 – Charitable donations

	Line	Federal		Québec	Alberta
Charitable donations at the end of the previous tax year			A		
Charitable donations expired after 5 tax years*	239				
Charitable donations at the beginning of the current tax year (amount A **minus** line 239)	240				
Charitable donations transferred on an amalgamation or the wind-up of a subsidiary	250				
Total charitable donations made in the current year (include this amount on line 112 of Schedule 1 Net Income (Loss) for Income Tax Purposes)	210	2,876		2,876	2,876
Subtotal (line 250 **plus** line 210)		2,876	B	2,876	2,876
Subtotal (line 240 **plus** amount B)		2,876	C	2,876	2,876
Adjustment for an acquisition of control	255				
Total charitable donations available (amount C **minus** line 255)		2,876	D	2,876	2,876
Amount applied in the current year against taxable income (cannot be more than amount L in Part 2) (enter this amount on line 311 of the T2 return)	260	2,876		2,876	2,876
Charitable donations closing balance (amount D **minus** line 260)	280				

	Line	Amount	
The amount of qualifying donations for the Ontario community food program donation tax credit for farmers included in the amount on line 260 (for donations made after December 31, 2013)	262		
Ontario community food program donation tax credit for farmers (amount on line 262 **multiplied** by 25 %)			1

Enter amount 1 on line 420 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the Ontario income tax otherwise payable or amount 1. For more information, see section 103.1.2 of the Taxation Act, 2007 (Ontario).

	Line	Amount	
The amount of qualifying donations for the Nova Scotia food bank tax credit for farmers included in the amount on line 260 (for donations made after December 31, 2015)	263		
Nova Scotia food bank tax credit for farmers (amount on line 263 **multiplied** by 25 %)			2

Enter amount 2 on line 570 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the Nova Scotia income tax otherwise payable or amount 2. For more information, see section 50A of the Nova Scotia Income Tax Act.

	Line	Amount	
The amount of qualifying gifts for the British Columbia farmers' food donation tax credit included in the amount on line 260 (for donations made after February 16, 2016 and before January 1, 2021)	265		
British Columbia farmers' food donation tax credit (amount on line 265 **multiplied** by 25 %)			3

Enter amount 3 on line 683 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the British Columbia income tax otherwise payable or amount 3. For more information, see section 20.1 of the British Columbia Income Tax Act.

* For federal and Alberta tax purposes, donations and gifts expire after five tax years. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, expire after five tax years; otherwise, donations and gifts expire after twenty tax years.

Amounts carried forward – Charitable donations

Year of origin:		Federal	Québec	Alberta
1st prior year	2018-12-31			
2nd prior year	2017-12-31			
3rd prior year	2016-12-31			
4th prior year	2015-12-31			
5th prior year	2014-12-31			
6th prior year*	2013-12-31			
7th prior year	2012-12-31			
8th prior year	2011-12-31			
9th prior year	2010-12-31			
10th prior year	2009-12-31			
11th prior year	2008-12-31			
12th prior year	2007-12-31			
13th prior year	2006-12-31			
14th prior year	2005-12-31			
15th prior year	2004-12-31			
16th prior year	2003-12-31			
17th prior year	2002-12-31			
18th prior year	2001-12-31			
19th prior year				
20th prior year				
21st prior year*				
Total (to line A)				

* For federal and Alberta tax purposes, donations and gifts included on line *6th prior year* expire automatically in the current tax year. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, that are included on line *6th prior year* and donations and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Part 2 – Maximum allowable deduction for charitable donations

Net income for tax purposes Note 1 **multiplied** by 75 %		638,141	E
Taxable capital gains arising in respect of gifts of capital property included in Part 1 Note 2	225		
Taxable capital gain in respect of a disposition of a non-qualifying security under subsection 40(1.01)	227		
The amount of the recapture of capital cost allowance in respect of charitable donations	230		
Proceeds of disposition, **less** outlays and expenses Note 2			F
Capital cost Note 2			G
Amount F or G, whichever is less	235		
Amount on line 230 or 235, whichever is less			H
Subtotal (**add** line 225, 227, and amount H)			I
Amount I **multiplied** by 25 %			J
Subtotal (amount E **plus** amount J)		638,141	K
Maximum allowable deduction for charitable donations (enter amount D from Part 1, amount K, or net income for tax purposes, whichever is least)		2,876	L

Note 1 For credit unions, subsection 137(2) states that this amount is before the deduction of payments pursuant to allocations in proportion to borrowing and bonus interest.

Note 2 This amount must be prorated by the following calculation: eligible amount of the gift **divided by** the proceeds of disposition of the gift.

Part 3 – Gifts of certified cultural property

	Line	Federal		Québec	Alberta
Gifts of certified cultural property at the end of the previous tax year			M		
Gifts of certified cultural property expired after 5 tax years*	439				
Gifts of certified cultural property at the beginning of the current tax year (amount M **minus** line 439)	440				
Gifts of certified cultural property transferred on an amalgamation or the wind-up of a subsidiary	450				
Total gifts of certified cultural property in the current year (include this amount on line 112 of Schedule 1)	410				
Subtotal (line 450 **plus** line 410)			N		
Subtotal (line 440 **plus** amount N)			O		
Adjustment for an acquisition of control	455				
Amount applied in the current year against taxable income (enter this amount on line 313 of the T2 return)	460				
Subtotal (line 455 **plus** line 460)			P		
Gifts of certified cultural property closing balance (amount O **minus** amount P)	480				

* For federal and Alberta tax purposes, donations and gifts expire after five tax years. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, expire after five tax years; otherwise, donations and gifts expire after twenty tax years.

Amount carried forward – Gifts of certified cultural property

Year of origin:		Federal	Québec	Alberta
1st prior year	2018-12-31			
2nd prior year	2017-12-31			
3rd prior year	2016-12-31			
4th prior year	2015-12-31			
5th prior year	2014-12-31			
6th prior year*	2013-12-31			
7th prior year	2012-12-31			
8th prior year	2011-12-31			
9th prior year	2010-12-31			
10th prior year	2009-12-31			
11th prior year	2008-12-31			
12th prior year	2007-12-31			
13th prior year	2006-12-31			
14th prior year	2005-12-31			
15th prior year	2004-12-31			
16th prior year	2003-12-31			
17th prior year	2002-12-31			
18th prior year	2001-12-31			
19th prior year				
20th prior year				
21st prior year*				
Total				

* For federal and Alberta tax purposes, donations and gifts included on line *6th prior year* expire automatically in the current tax year. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, that are included on line *6th prior year* and donations and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Part 4 – Gifts of certified ecologically sensitive land

		Federal		Québec	Alberta
Gifts of certified ecologically sensitive land at the end of the previous tax year			Q		
Gifts of certified ecologically sensitive land expired after 5 tax years, or after 10 tax years for gifts made after February 10, 2014*	539				
Gifts of certified ecologically sensitive land at the beginning of the current tax year (amount Q **minus** line 539)	540				
Gifts of certified ecologically sensitive land transferred on an amalgamation or the wind-up of a subsidiary	550				
Total current-year gifts of certified ecologically sensitive land (include this amount on line 112 of Schedule 1)	520				
Subtotal (line 550 **plus** line 520)			R		
Subtotal (line 540 **plus** amount R)			S		
Adjustment for an acquisition of control	555				
Amount applied in the current year against taxable income (enter this amount on line 314 of the T2 return)	560				
Subtotal (line 555 **plus** line 560)			T		
Gifts of certified ecologically sensitive land closing balance (amount S **minus** amount T)	580				

* For federal and Alberta tax purposes, donations and gifts made before February 11, 2014, expire after five tax years and gifts made after February 10, 2014, expire after ten tax years. For Québec tax purposes, donations and gifts made during a tax year that ended before March 24, 2006, expire after five tax years; otherwise, donation and gifts expire after twenty tax years.

Amounts carried forward – Gifts of certified ecologically sensitive land

Amount of carried forward gifts made on or after February 11, 2014, in the tax year including this date

Year of origin:		Federal	Québec	Alberta
1st prior year	2018-12-31			
2nd prior year	2017-12-31			
3rd prior year	2016-12-31			
4th prior year	2015-12-31			
5th prior year	2014-12-31			
6th prior year*	2013-12-31			
7th prior year	2012-12-31			
8th prior year	2011-12-31			
9th prior year	2010-12-31			
10th prior year	2009-12-31			
11th prior year*	2008-12-31			
12th prior year	2007-12-31			
13th prior year	2006-12-31			
14th prior year	2005-12-31			
15th prior year	2004-12-31			
16th prior year	2003-12-31			
17th prior year	2002-12-31			
18th prior year	2001-12-31			
19th prior year				
20th prior year				
21st prior year*				
Total				

* For federal and Alberta tax purposes, donations and gifts made before February 11, 2014, that are included on line *6th prior year* and gifts that are included on line *11th prior year* expire automatically in the current year.

The field "Amount of carried forward gifts made on or after February 11, 2014, in the tax year including this date" is used to distinguish the portion of the gifts made in the tax year straddling February 11, 2014, that expires after ten tax years, from the portion that expires in the current tax year.

For Québec tax purposes, donations and gifts made during a tax year that ended before March 24, 2006, that are included on line *6th prior year* and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Part 5 – Additional deduction for gifts of medicine

		Federal		Québec	Alberta
Additional deduction for gifts of medicine at the end of the previous tax year			U		
Additional deduction for gifts of medicine expired after 5 tax years*	639				
Additional deduction for gifts of medicine at the beginning of the current tax year (amount U **minus** line 639)	640				
Additional deduction for gifts of medicine made before March 22, 2017 transferred on an amalgamation or the wind-up of a subsidiary	650				
Additional deduction for gifts of medicine made before March 22, 2017:					
Proceeds of disposition	602				
Cost of gifts of medicine made before March 22, 2017	601				
Subtotal (line 602 **minus** line 601)			V		
Amount V **multiplied** by 50 %			W		
Eligible amount of gifts	600				

Federal

a ______ x (b ______ / c) = Additional deduction for gifts of medicine made before March 22, 2017 . . . . **610** ______

Québec

a ______ x (b ______ / c) = Additional deduction for gifts of medicine made before March 22, 2017 . . . . ______

Alberta

a ______ x (b ______ / c) = Additional deduction for gifts of medicine made before March 22, 2017 . . . . ______

where:

a is the **lesser** of line 601 and amount W

b is the eligible amount of gifts (line 600)

c is the proceeds of disposition (line 602)

		Federal		Québec	Alberta
Subtotal (line 650 **plus** line 610)			X		
Subtotal (line 640 **plus** amount X)			Y		
Adjustment for an acquisition of control	655				
Amount applied in the current year against taxable income (enter this amount on line 315 of the T2 return)	660				
Subtotal (line 655 **plus** line 660)			Z		
Additional deduction for gifts of medicine closing balance (amount Y **minus** amount Z)	680				

* For federal and Alberta tax purposes, donations and gifts expire after five tax years. For Québec tax purposes, donations and gifts made in a tax year that ended before March 19, 2007, expire after five tax years; otherwise, donations and gifts expire after twenty tax years.

Amounts carried forward – Additional deduction for gifts of medicine

Year of origin:		Federal	Québec	Alberta
1st prior year	2018-12-31			
2nd prior year	2017-12-31			
3rd prior year	2016-12-31			
4th prior year	2015-12-31			
5th prior year	2014-12-31			
6th prior year*	2013-12-31			
7th prior year	2012-12-31			
8th prior year	2011-12-31			
9th prior year	2010-12-31			
10th prior year	2009-12-31			
11th prior year	2008-12-31			
12th prior year	2007-12-31			
13th prior year	2006-12-31			
14th prior year	2005-12-31			
15th prior year	2004-12-31			
16th prior year	2003-12-31			
17th prior year	2002-12-31			
18th prior year	2001-12-31			
19th prior year				
20th prior year				
21st prior year*				
Total				

* For federal and Alberta tax purposes, donations and gifts included on line *6th prior year* expire automatically in the current tax year. For Québec tax purposes, donations and gifts made in a tax year that ended before March 19, 2007, that are included on line *6th prior year* and donations and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Québec – Gifts of musical instruments

Gifts of musical instruments at the end of the previous tax year		A
Deduct: Gifts of musical instruments expired after twenty tax years		B
Gifts of musical instruments at the beginning of the tax year		C
Add:		
Gifts of musical instruments transferred on an amalgamation or the wind-up of a subsidiary		D
Total current-year gifts of musical instruments		E
Subtotal (line D **plus** line E)		F
Deduct: Adjustment for an acquisition of control		G
Total gifts of musical instruments available		H
Deduct: Amount applied against taxable income (enter this amount on line 255 of form CO-17)		I
Gifts of musical instruments closing balance		J

Amounts carried forward – Gifts of musical instruments

Year of origin:		Québec
1st prior year	2018-12-31	
2nd prior year	2017-12-31	
3rd prior year	2016-12-31	
4th prior year	2015-12-31	
5th prior year	2014-12-31	
6th prior year*	2013-12-31	
7th prior year	2012-12-31	
8th prior year	2011-12-31	
9th prior year	2010-12-31	
10th prior year	2009-12-31	
11th prior year	2008-12-31	
12th prior year	2007-12-31	
13th prior year	2006-12-31	
14th prior year	2005-12-31	
15th prior year	2004-12-31	
16th prior year	2003-12-31	
17th prior year	2002-12-31	
18th prior year	2001-12-31	
19th prior year		
20th prior year		
21st prior year*		
Total		

* These gifts expired in the current year.

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Canada

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Schedule 5

Tax Calculation Supplementary – Corporations

Corporation's name	Business Number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2019-12-31

- Use this schedule if, during the tax year, your corporation:
  - had a permanent establishment in more than one jurisdiction (corporations that have no taxable income should only complete columns A, B, and D in Part 1)
  - is claiming provincial or territorial tax credits or rebates (see Part 2), or
  - has to pay taxes, other than income tax, for Newfoundland and Labrador, or Ontario (see Part 2).
- All legislative references are to the Income Tax Regulations.
- For more information, see the T2 Corporation – Income Tax Guide.
- For the regulation number to be entered in field 100 of Part 1, see the chart below.

Part 1 – Allocation of taxable income

100 ______ Enter the regulation that applies (402 to 413)

A Jurisdiction. Tick yes if your corporation had a permanent establishment in the jurisdiction during the tax year *		B Total salaries and wages paid in jurisdiction	C (B x taxable income) / G	D Gross revenue attributable to jurisdiction	E (D x taxable income) / H	F Allocation of taxable income (C + E) x 1/2** (where either G or H is nil, do not multiply by 1/2)
Newfoundland and Labrador	003 Yes ☐	103		143		
Newfoundland and Labrador Offshore	004 Yes ☐	104		144		
Prince Edward Island	005 Yes ☐	105		145		
Nova Scotia	007 Yes ☐	107		147		
Nova Scotia Offshore	008 Yes ☐	108		148		
New Brunswick	009 Yes ☐	109		149		
Quebec	011 Yes ☐	111		151		
Ontario	013 Yes ☐	113		153		
Manitoba	015 Yes ☐	115		155		
Saskatchewan	017 Yes ☐	117		157		
Alberta	019 Yes ☐	119		159		
British Columbia	021 Yes ☐	121		161		
Yukon	023 Yes ☐	123		163		
Northwest Territories	025 Yes ☐	125		165		
Nunavut	026 Yes ☐	126		166		
Outside Canada	027 Yes ☐	127		167		
Total		129 G		169 H		

* **Permanent establishment** is defined in subsection 400(2)
** For corporations other than those described under section 402, use the appropriate calculation described in the Regulations to allocate taxable income.

Notes:
1. After determining the allocation of taxable income, you have to calculate the corporation's provincial or territorial tax payable. For more information on how to calculate the tax for each province or territory, see the instructions for Schedule 5 in the T2 Corporation – Income Tax Guide.
2. If your corporation has provincial or territorial tax payable, complete Part 2.
3. If your corporation is a member of a partnership and the partnership had a permanent establishment in a jurisdiction, select the jurisdiction in Column A and include your proportionate share of the partnership's salaries and wages and gross revenue in columns B and D, respectively.

Part 2 – Ontario tax payable, tax credits, and rebates

Total taxable income	Income eligible for small business deduction	Provincial or territorial allocation of taxable income	Provincial or territorial tax payable before credits
847,979		847,979	97,518

Ontario basic income tax (from Schedule 500)	270	97,518		
Ontario small business deduction (from Schedule 500)	402			
Subtotal (line 270 **minus** line 402)		97,518	97,518	5A
Ontario transitional tax debits (from Schedule 506)	276			
Recapture of Ontario research and development tax credit (from Schedule 508)	277			
Subtotal (line 276 **plus** line 277)				5B
Gross Ontario tax (amount 5A **plus** amount 5B)			97,518	5C
Ontario resource tax credit (from Schedule 504)	404			
Ontario tax credit for manufacturing and processing (from Schedule 502)	406			
Ontario foreign tax credit (from Schedule 21)	408			
Ontario credit union tax reduction (from Schedule 500)	410			
Ontario political contributions tax credit (from Schedule 525)	415			
Ontario non-refundable tax credits (total of lines 404 to 415)				5D
Subtotal (amount 5C **minus** amount 5D) (if negative, enter "0")			97,518	5E
Ontario research and development tax credit (from Schedule 508)	416		11,293	
Ontario corporate income tax payable before Ontario corporate minimum tax credit and Ontario community food program donation tax credit for farmers (amount 5E **minus** line 416) (if negative, enter "0")			86,225	5F
Ontario corporate minimum tax credit (from Schedule 510)	418		14,918	
Ontario community food program donation tax credit for farmers (from Schedule 2)	420			
Ontario corporate income tax payable (amount 5F **minus** the total of lines 418 and 420) (if negative, enter "0")			71,307	5G
Ontario corporate minimum tax (from Schedule 510)	278			
Ontario special additional tax on life insurance corporations (from Schedule 512)	280			
Subtotal (line 278 **plus** line 280)				5H
Total Ontario tax payable before refundable tax credits (amount 5G **plus** amount 5H)			71,307	5I
Ontario qualifying environmental trust tax credit	450			
Ontario co-operative education tax credit (from Schedule 550)	452	17,514		
Ontario apprenticeship training tax credit (from Schedule 552)	454			
Ontario computer animation and special effects tax credit (from Schedule 554)	456			
Ontario film and television tax credit (from Schedule 556)	458			
Ontario production services tax credit (from Schedule 558)	460			
Ontario interactive digital media tax credit (from Schedule 560)	462			
Ontario sound recording tax credit (from Schedule 562)	464			
Ontario book publishing tax credit (from Schedule 564)	466			
Ontario innovation tax credit (from Schedule 566)	468			
Ontario business-research institute tax credit (from Schedule 568)	470			
Ontario refundable tax credits (total of lines 450 to 470)		17,514	17,514	5J
Net Ontario tax payable or refundable tax credit (amount 5I **minus** amount 5J) (if a credit, enter amount in brackets) Include this amount on line 255.	290		53,793	

Summary

Enter the total net tax payable or refundable tax credits for all provinces and territories on line 255.

Net provincial and territorial tax payable or refundable tax credits 255 53,793

If the amount on line 255 is positive, enter the net provincial and territorial tax payable on line 760 of the T2 return.
If the amount on line 255 is negative, enter the net provincial and territorial refundable tax credits on line 812 of the T2 return.

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Schedule 7

Aggregate Investment Income and Income Eligible for the Small Business Deduction

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2019-12-31

- Use this schedule if you are a Canadian-controlled private corporation (CCPC) to calculate:
  - your aggregate investment income and foreign investment income, as defined in subsection 129(4), to determine the refundable portion of Part I tax, and your adjusted aggregate investment income, as defined in subsection 125(7), for the purpose of the business limit reduction
  - your **specified partnership income**, as defined in subsection 125(7), if you are a member (or **designated member**) of one or more partnerships, and
  - your income from an active business carried on in Canada eligible for the small business deduction including any **specified corporate income** as defined in subsection 125(7)
- Use this schedule if another CCPC is making an assignment of **business limit** under subsection 125(3.2) to you.
- Use this schedule if you are a corporation that is a member of a partnership to assign **specified partnership business limit** to a **designated member** under subsection 125(8).
  Note: If you are a corporation that is not a CCPC, **only** complete Table 1 (columns A1, B1, C1, G1, H1 and J1) and Table 3 to make this assignment.
- The adjusted aggregate investment income, for the purpose of the business limit reduction, also applies to a tax year of a corporation that begins before 2019 and ends after 2018 under the following circumstances:
  - the corporation's preceding tax year was, because of a transaction or event or a series of transactions or events, shorter than it would have been in the absence of that transaction, event or series, and
  - one of the reasons for the transaction, event or series was to defer the application of subsections 125(5.1), (5.2) and (7) to the corporation
- All legislative references are to the Income Tax Act.
- For more information, see **Small Business Deduction** and **Refundable Portion of Part I Tax** in Guide T4012, T2 Corporation – Income Tax Guide.
- See the notes at the end of the form.

Part 1 – Aggregate investment income

Aggregate investment income is all **world** source income.

Description	Line	Amount		Amount	
Eligible portion of taxable capital gains for the year	002				
Eligible portion of allowable capital losses for the year (including allowable business investment losses)	012				
Net capital losses of previous years claimed on line 332 on the T2 return	022				
Subtotal (line 012 **plus** line 022)			►		A
Line 002 **minus** amount A (if negative, enter "0")					B
Total income from property (include income from a specified investment business carried on in Canada other than income from a source outside Canada)	032	5,000			
Exempt income	042				
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for the year	052				
Taxable dividends deductible (total of column F on Schedule 3 **minus** related expenses)	062				
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)	072				
Subtotal (**add** lines 042, 052, 062 and 072)		►			C
Subtotal (line 032 **minus** amount C)		5,000	►	5,000	D
Amount B **plus** amount D				5,000	E
Total losses from property (include losses from a specified investment business carried on in Canada other than a loss from a source outside Canada)	082			1,398,000	
Amount E **minus** line 082 (if negative, enter "0") (enter on line 440 of the T2 return)	092				

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Canada

Part 2 – Adjusted aggregate investment income

Eligible portion of taxable capital gains for the year (other than taxable capital gains from the disposition of an active asset note 13)	705				
Eligible portion of allowable capital losses for the year (including allowable business investment losses) (other than allowable capital losses from the disposition of an active asset note 13)	710				
Subtotal (line 705 **minus** line 710) (if negative, enter "0")					F
Total income from property note 14	715		5,000		
Exempt income	720				
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for the year	725				
Dividends from connected corporations	730				
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)	735				
Subtotal (**add** lines 720, 725, 730 and 735)			►		G
Subtotal (line 715 **minus** amount G)			5,000 ►	5,000	H
Amount F **plus** amount H				5,000	I
Total losses from property note 14	740			1,398,000	
Amount, if any, deducted under subsection 91(4) in computing the corporation's income for the year	741				
Adjusted aggregate investment income (amount I **minus** line 740, **plus** line 741) (if negative, enter "0")	745				

If this is your first tax year starting after 2018, complete the following portion.

Eligible portion of taxable capital gains for each tax year that ended in the preceding calendar year (other than taxable capital gains from the disposition of an active asset note 13)					2A
Eligible portion of allowable capital losses for each tax year that ended in the preceding calendar year (including allowable business investment losses)(other than allowable capital losses from the disposition of an active asset note 13)					2B
Subtotal (amount 2A **minus** amount 2B) (if negative, enter "0")					2C
Total income from property for each tax year that ended in the preceding calendar year note 14			16,000		2D
Exempt income for each tax year that ended in the preceding calendar year					2E
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for each tax year that ended in the preceding calendar year					2F
Dividends from connected corporations for each tax year that ended in the preceding calendar year					2G
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a) for each tax year that ended in the preceding calendar year					2H
Subtotal (**add** amounts 2E, 2F, 2G and 2H)			►		2I
Subtotal (amount 2D **minus** amount 2I)			16,000 ►	16,000	2J
Amount 2C **plus** amount 2J				16,000	2K
Total losses from property for each tax year that ended in the preceding calendar year note 14				1,293,000	2L
Amount, if any, deducted under subsection 91(4) in computing the corporation's income for each tax year that ended in the preceding calendar year	742				
Adjusted aggregate investment income (amount 2K **minus** amount 2L, **plus** line 742) (if negative, enter "0")	744				

(enter the total of line 744 and the adjusted aggregate investment income of all associated corporations on line 417 of the T2 return)

Part 3 – Foreign investment income

Foreign investment income is all income from sources **outside Canada**.

Eligible portion of taxable capital gains for the year			001	
Eligible portion of allowable capital losses for the year (including allowable business investment losses)			009	
Subtotal (line 001 **minus** line 009) (if negative, enter "0")				J
Total income from property from a source **outside Canada** (net of related expenses)		019		
Exempt income	029			
Taxable dividends deductible (total of column F on Schedule 3 **minus** related expenses)	049			
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)	059			
Subtotal (**add** lines 029, 049, and 059)	►	K		
Subtotal (line 019 **minus** amount K)		►		L
Amount J **plus** amount L				M
Total losses from property from a source **outside Canada**			069	
Amount M **minus** line 069 (if negative, enter "0") (enter on line 445 of the T2 return)			079	

Part 3A – Canadian and foreign investment income and adjusted aggregate investment income calculation

	A Canadian investment income	B Foreign investment income	C Adjusted aggregate investment income*	
Eligible portion of the taxable capital gains for the year before taking into account the capital gains reserves (federal) of Schedule 13*				1.1
Eligible portion of capital gains reserves (addition/deduction)*, **				1.2
Taxable capital gains under section 34.2 (line 275 on Schedule 73)**				1.3
Eligible portion of the taxable capital gains for the year (**add** amounts 1.1, 1.2, and 1.3)				1
Eligible portion of allowable capital losses for the year (including allowable business investment losses)*				2.1
Net capital losses of previous years (line 332 on the T2 return)				2.2
Allowable capital losses under section 34.2 (line 285 of Schedule 73)**				2.3
Allowable capital losses for the year (**add** amounts 2.1, 2.2 and 2.3)				2
Amount 1 **minus** amount 2 (if negative, enter "0")				3
Taxable dividends				4.1
Rental property income (under regulation 1100(11))				4.2
Other property income*	5,000		5,000	4.3
Property income under section 34.2 (line 280 of Schedule 73)**				4.4
Total property income (**add** amounts 4.1, 4.2, 4.3 and 4.4)	5,000		5,000	4
Exempt income				5.1
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for the year				5.2
Taxable dividends deductible (total of column F on Schedule 3 **minus** related expenses)*				5.3
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)				5.4
Add amounts 5.1, 5.2, 5.3 and 5.4				5
Amount 4 **minus** amount 5	5,000		5,000	6
Amount 3 **plus** amount 6	5,000		5,000	7
Rental property losses (under regulation 1100(11))				8.1
Dividend losses				8.2
Other property losses*	1,398,000		1,398,000	8.3
Property losses under section 34.2 (line 280 of Schedule 73)**				8.4
Total property losses (**add** amounts 8.1, 8.2, 8.3 and 8.4)	1,398,000		1,398,000	8
Amount 7 **minus** amount 8 (if negative, enter "0")				9
Amount, if any, deducted under subsection 91(4) in computing the corporation's income for the year				10
Amount 7 **minus** amount 8 **plus** amount 10 (if negative, enter "0")				11

* To calculate the adjusted aggregate investment income under column C:

- On lines 1.1, 1.2 and 2.1, only capital gains and losses resulting from the disposition of property other than an active asset (as defined under subsection 125(7) ITA) are to be taken into account.
- On line 4.3, include amounts in respect of a life insurance policy that are included in computing the corporation's income for the year (even if those amounts are not included in the calculation of the corporation's investment income in column A and B) as well as the income from a specified foreign investment business.
- On line 5.3, only the dividends received from a connected corporation should be included.
- On line 8.3, include the loss from a specified foreign investment business.

For more information on the calculation of the adjusted aggregate investment income, consult notes 13 and 14 at the end of this form as well as the Help (F1).

** When an amount is entered on these lines in column B, it reduces the corresponding amount in column A. For more information, consult the Help (F1).

Net taxable dividends	A*	Canadian	Foreign	Total
Taxable dividends deducted per Schedule 3				
Less: Expenses related to such dividends	A*			
Total expenses				
Net taxable dividends				

* Column A – Enter an “X” if the expense is related to a dividend received from a connected corporation.

Part 4 – Specified partnership income

Table 1 – Specified partnership income

A	A1	1A
Is the corporation a designated member of the partnership?	Partnership name **200**	Partnership's account number
Yes No		

B1	C1	D1	1D	2D	E1	F1
Total income (loss) of partnership from an active business **300**	Corporation's share of amount in column B1 **310**	Income of the corporation from providing (directly or indirectly) services or property to the partnership **311**	Prorated amounts calculated under section 34.2 note 1	Expenses the corporation incurred to earn partnership income	Adjustments (column 1D **minus** column 2D) **315**	Corporation's income (loss) in respect of the partnership note 2 (**add** columns C1, D1 and E1) **320**

Total **350** ____________

G1	H1	I1	J1	K1	L1	M1
Number of days in the partnership's fiscal period **325**	Prorated business limit notes 2 and 3 (column C1 ÷ column B1) × [$ 500 000 × (column G1 ÷ 365)] (if column C1 is negative, enter "0") **330**	Specified partnership business limit **assigned to you** (from H2 in Table 2) note 5 **335**	Specified partnership business limit **assigned by you** from F3 in Table 3) note 6 **336**	Specified partnership business limit amount (column H1 **plus** column I1 **minus** column J1)	Column F1 **minus** column K1 (if negative, enter "0")	Lesser of columns F1 and K1 (if column F1 is negative, enter "0") note 4 **340**

Total **385** ____________ **360** ____________

Corporation's losses for the year from an active business carried on in Canada (other than as a member of a partnership) – enter as a positive amount . . . . **370** ____________

Specified partnership loss of the corporation for the year – enter as a positive amount (total of all negative amounts in column F1) . . . . **380** ____________

Subtotal (line 370 **plus** line 380) ____________ N

Amount at line 385 or amount N, whichever is less . . . . **390** ____________

Specified partnership income (line 360 **plus** line 390) . . . . **400** ____________
(enter at amount R in Part 5)

Part 4 – Specified partnership income (continued)

Tables 2 and 3 are used to make an assignment of **specified partnership business limit** under subsection 125(8). A person that is a member of a partnership can make an assignment of **specified partnership business limit** under subsection 125(8) to a **designated member**.

If you are a CCPC that is a designated member and **receiving** specified partnership business limit from a person that is a member of the partnership, complete Table 2.

If you are a corporation that is a member of the partnership and **assigning** specified partnership business limit to a designated member, complete Table 3.

Table 2 – A member is assigning to you specified partnership business limit under subsection 125(8)

A2	2A	B2
Partnership name 405	Partnership's account number	Name of the member 406

C2	D2	E2	F2	G2	H2
Business number of the member (if applicable) 410	Social insurance number of the member (if applicable) 411	Trust account number of the member (if applicable) 412	Tax year start of the member (yyyymmdd) 415	Tax year-end of the member (yyyymmdd) 416	Specified partnership business limit assigned to you by the member note 7 420

Table 3 – You are assigning to a designated member (CCPC) specified partnership business limit under subsection 125(8)

A3	3A	B3
Partnership name 425	Partnership's account number	Name of the designated member 426

C3	D3	E3	F3
Business number of the designated member 430	Tax year start of the designated member (yyyymmdd) 435	Tax year-end of the designated member (yyyymmdd) 436	Specified partnership business limit assigned by you to the designated member note 8 440

Part 5 – Partnership income not eligible for the small business deduction

Corporation's income from active businesses carried on in Canada as a member or designated member of a partnership (after deducting related expenses) – from line 350 in Part 4 (if the net amount is negative, enter "0" on line 450) . . . . ______ O

Specified partnership loss (from line 380 in Part 4) . . . . ______ P

Subtotal (amount O **plus** amount P) ______ Q

Specified partnership income (from line 400 in Part 4) . . . . ______ R

Partnership income not eligible for the small business deduction (amount Q **minus** amount R) . . . . 450 ______
(enter at amount Z in Part 6)

Part 6 – Income eligible for the small business deduction

Net income for income tax purposes from line 300 of the T2 return		850,855	S	
Allowable business investment loss from line 406 of Schedule 1			T	
Subtotal (amount S **plus** amount T)		850,855	►	850,855 U
Foreign business income after deducting related expenses note 9	500			
Taxable capital gains from line 113 of Schedule 1			V	
Net property income (line 032 note 10 **minus** the total of lines 042, 052 and 082 note 9 in Part 1)		-1,393,000	W	
Personal services business income after deducting related expenses note 9	e1			
Other income after deducting related expenses note 9	e2			
Subtotal (amount e1 **plus** amount e2) note 9	► 520			
Subtotal (**add** line 500, amount V, amount W and line 520)		-1,393,000	►	-1,393,000 X
Net amount (amount U **minus** amount X)				2,243,855 Y
Partnership income not eligible for the small business deduction (line 450 in Part 5)			Z	
Partnership income allocated to your corporation under subsection 96(1.1)	530			
Income referred to in clause 125(1)(a)(i)(C)	540			
Income referred to in clause 125(1)(a)(i)(B) (from line 615 in Part 7)			AA	
Subtotal (**add** amount Z, line 530, line 540 and amount AA)			►	BB
Specified corporate income (from line 625 in Part 7)				CC
Income eligible for the small business deduction (amount Y **minus** amount BB, **plus** amount CC) (enter amount DD on line 400 of the T2 return - if negative, enter "0")				2,243,855 DD

Part 7 – Specified corporate income and assignment under subsection 125(3.2)

	1EE Name of the corporation	EE Business number of the corporation 600	FF Income described under clause 125(1)(a)(i)(B) received from the corporation identified in column EE note 11 610	GG Business limit assigned **from** the corporation identified in column EE note 12 620
1				
			Total 615	Total 625

See the privacy statement on your return.

Notes

Note 1 Do **not** include expenses that were deducted in computing the income of the corporation in column D1.

In general, amounts included under subsections 34.2(2) and 34.2(3) or claimed under subsection 34.2(4) are deemed to have the **same character** and be in the **same proportions** as the partnership income they relate to. For example, if a corporation receives $100,000 of partnership income for the partnership's fiscal period ending in its tax year, and that income is made up of $40,000 of active business income, $30,000 of income from property, and $30,000 as a taxable capital gain, the corporation's adjusted stub period accrual (ASPA) in respect of the partnership would be 40% active business income, 30% property income, and 30% taxable capital gains. Add or deduct only the portion of the following amounts that are characterized as **active business income** in accordance with subsection 34.2(5):

Add:

– the ASPA under subsection 34.2(2) (column 4 of Schedule 73)
– the income inclusion for a new corporate member of a partnership under subsection 34.2(3) (column 6 of Schedule 73)
– the previous-year transitional reserve under subsection 34.2(12) (column 12 of Schedule 73)

Deduct:

– the previous-year ASPA under subsection 34.2(4) (column 5 of Schedule 73)
– the previous-year income inclusion for a new corporate member of a partnership under subsection 34.2(4) (column 7 of Schedule 73)

Note 2 When a partnership carries on more than one business, one of which generates income and another of which realizes a loss, the loss is **not** netted against the partnership's income when calculating the prorated business limit (column H1). Enter on line 380 the total of all losses from column F1.

Note 3 **If** you are a **designated member** of the partnership, enter "0".

Note 4 You must enter "0" **if** the partnership provides services or property to either:

(A) a private corporation (directly or indirectly in any manner whatever) in the year, if:

- you (or one of your shareholders) or a person that does **not** deal at arm's length with you (or one of your shareholders) holds a direct or indirect interest in the private corporation, and
- it is not the case that all or substantially all of the partnership's income for the year from an active business is from providing services or property to
  – persons (other than the private corporation) that deal at arm's length with the partnership and each person that holds a direct or indirect interest in the partnership, or
  – partnerships with which the partnership deals at arm's length, other than a partnership in which a person that does **not** deal at arm's length with you holds a direct or indirect interest, or

(B) a particular partnership (directly or indirectly in any manner whatever) in the year, if:

- you (or one of your shareholders) do **not** deal at arm's length with the particular partnership or a person that holds a direct or indirect interest in the particular partnership, and
- it is not the case that all or substantially all of the partnership's income for the year from an active business is from providing services or property to
  – persons that deal at arm's length with the partnership and each person that holds a direct or indirect interest in the partnership, or
  – partnerships (other than the particular partnership) with which the partnership deals at arm's length, other than a partnership in which a person that does **not** deal at arm's length with you holds a direct or indirect interest.

Note 5 If you are a CCPC that is a **designated member** receiving an assignment of **specified partnership business limit,** complete Table 2 to determine the amounts to enter in Table 1 column I1.

Note 6 If you are a corporation that is a **member** of the partnership and you are assigning **specified partnership business limit**, complete Table 3 to determine the amounts to enter in Table 1 column J1.

Note 7 Add the amounts in column H2 that are for the same partnership and enter it in Table 1 column I1, in the row of the applicable partnership.

Note 8 Add the amounts in column F3 that are for the same partnership and enter it in Table 1 column J1, in the row of the applicable partnership. This amount **cannot** be higher than the amount of prorated business limit you would otherwise be entitled to in Table 1 column H1 for that partnership.

Note 9 If negative, enter amount in brackets, and **add** instead of subtracting.

Note 10 Net of related expenses.

Note 11 This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts, each of which is your income from an active business for the year from providing services or property to a private corporation (directly or indirectly, in any manner whatever) if

(A) at any time in the year, you (or one of your shareholders) or a person that does **not** deal at arm's length with you (or one of your shareholders) holds a direct or indirect interest in the private corporation, and

(B) it is not the case that all or substantially all of your income for the year from an active business is from providing services or property to
  (I) persons (other than the private corporation) with which you deal at arm's length, or
  (II) partnerships with which you deal at arm's length, other than a partnership in which a person that does **not** deal at arm's length with you holds a direct or indirect interest.

Do **not** include specified farming or fishing income. If the conditions described in subsection 125(10) are met, do not include income from an associated corporation.

Note 12 The amount of business limit that a CCPC can assign to you cannot be greater than the amount in column FF that is from providing services or property **directly** to that CCPC. If there is an amount included in column FF that is deductible by that CCPC in respect of the amount of its income referred to in clause 125(1)(a)(i)(A) or (B) for its tax year, you need to deduct it from column FF for the purpose of determining the amount that can be assigned to you.

Notes (continued)

Note 13 Active asset, of a particular corporation at any time, means property that is:

(A) used at that time principally in an active business carried on primarily in Canada by the particular corporation or by a Canadian-controlled private corporation that is related to the particular corporation,

(B) a share of the capital stock of another corporation if, at that time,

- the other corporation is connected with the particular corporation (within the meaning assigned by subsection 186(4) on the assumption that the other corporation is at that time a payer corporation within the meaning of that subsection), and
- the share would be a qualified small business corporation share (as defined in subsection 110.6(1)) if:

– the references in that definition to an "individual" were references to the particular corporation, and

– that definition were read without reference to "the individual's spouse or common-law partner", or

(C) an interest in a partnership, if:

- at that time, the fair market value of the particular corporation's interest in the partnership is equal to or greater than 10% of the total fair market value of all interests in the partnership,
- throughout the 24-month period ending before that time, more than 50% of the fair market value of the property of the partnership was attributable to property described in this paragraph or in paragraph (A) or (B), and
- at that time, all or substantially all of the fair market value of the property of the partnership was attributable to property described in this paragraph or in paragraph (A) or (B).

Note 14 Income or loss from property of a particular corporation, for the purposes of calculating the corporation's adjusted aggregate investment income, includes income or loss from a specified investment business, as well as all amounts in respect of a life insurance policy that are included in computing the corporation's income for the year (even if those amounts were not included in the computation of the corporation's aggregate investment income in Part 1).

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Schedule 8

Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2019-12-31

For more information, see the section called "Capital Cost Allowance" in the T2 Corporation Income Tax Guide.

Is the corporation electing under Regulation 1101(5q)? **101** Yes [ ] No [X]

	1 Class number * See note 1 **200**	Description	2 Undepreciated capital cost (UCC) at the beginning of the year **201**	3 Cost of acquisitions during the year (new property must be available for use) See note 2 **203**	4 Cost of acquisitions from column 3 that are accelerated investment incentive properties (AIIP) See note 3 **225**	5 Adjustments and transfers See note 4 **205**	6 Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition See note 5 **221**	7 Amount from column 5 that is repaid during the year for a property, subsequent to its disposition See note 6 **222**	8 Proceeds of dispositions See note 7 **207**	For tax years ending before November 21, 2018: 50% rule (1/2 of net acquisitions) **211**
1.	1	Buildings	21,221,151						0	
2.	8	Equipment and tools	1,525,115	43,691	43,691				0	
3.	10	Rolling stock and vehicles	549,533	6,000	6,000				0	
4.	45	Computer equipment and software	85						0	
5.	47	Electrical energy distribution	25,379,808	2,451,505	2,451,505				6,000	
6.	50	Computer equipment	258,684	125,612	125,612				0	
7.	47	WIP							0	
8.	8	WIP							0	
9.	14.1		188,919						0	
10.	1b	Building	189,996	38,000	38,000				0	
11.	95	WIP	1,267,000	2,470,000	2,470,000				0	
		Totals	50,580,291	5,134,808	5,134,808				6,000	

	1 Class number * See note 1 **200**	Des-crip-tion	9 UCC (column 2 **plus** column 3 **plus** or **minus** column 5 **minus** column 8) See note 8	10 Proceeds of disposition available to reduce the UCC of AIIP (column 8 **plus** column 6 **minus** column 3 **plus** column 4 **minus** column 7) (if negative, enter "0")	11 Net capital cost additions of AIIP acquired during the year (column 4 **minus** column 10) (if negative, enter "0")	12 UCC adjustment for AIIP acquired during the year (column 11 **multiplied** by the relevant factor) See note 9	13 UCC adjustment for non-AIIP acquired during the year (0.5 **multiplied** by the result of column 3 **minus** column 4 **minus** column 6 **plus** column 7 **minus** column 8) (if negative, enter "0") See note 10 **224**	14 CCA rate % See note 11 **212**	15 Recapture of CCA See note 12 **213**	16 Terminal loss See note 13 **215**	17 CCA (for declining balance method, the result of column 9 **plus** column 12 **minus** column 13, **multiplied** by column 14 or a lower amount) See note 14 **217**	18 UCC at the end of the year (column 9 **minus** column 17) **220**
1.	1	Buildin	21,221,151					4	0	0	848,846	20,372,305
2.	8	Equipn	1,568,806		43,691	21,846		20	0	0	318,130	1,250,676
3.	10	Rolling	555,533		6,000	3,000		30	0	0	167,560	387,973
4.	45	Compu	85					45	0	0	38	47
5.	47	Electri	27,825,313	6,000	2,445,505	1,222,753		8	0	0	2,323,845	25,501,468
6.	50	Compu	384,296		125,612	62,806		55	0	0	245,906	138,390
7.	47	WIP						8	0	0		
8.	8	WIP						20	0	0		
9.	14.1		188,919					5	0	0	13,224	175,695
10.	1b	Buildin	227,996		38,000	19,000		6	0	0	14,820	213,176
11.	95	WIP	3,737,000		2,470,000	1,235,000		0	0	0		3,737,000
		Totals	55,709,099	6,000	5,128,808	2,564,405					3,932,369	51,776,730

Enter the total of column 15 on line 107 of Schedule 1.
Enter the total of column 16 on line 404 of Schedule 1.
Enter the total of column 17 on line 403 of Schedule 1.

Note 1. If a class number has not been provided in Schedule II of the Income Tax Regulations for a particular class of property, use the subsection provided in Regulation 1101. Class numbers followed by a letter indicate the basic rate of the class taking into account the additional deduction allowed. Class 1a: 4% + 6% = 10% (class 1 to 10%), class 1b: 4% + 2% = 6% (class 1 to 6%).

Note 2. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions of property in the class that are not subject to the 50% rule. See Income Tax Folio S3-F4-C1, General Discussion of Capital Cost Allowance, for exceptions to the 50% rule.

Note 3. An accelerated investment incentive property (AIIP) is a property (other than property included in Class 54 or 55) that you acquired after November 20, 2018 and became available for use before 2028. See the T2 Corporation Income Tax Guide for more information. Classes 54 and 55 include property that is a zero-emission vehicle you acquired after March 18, 2019 and became available for use before 2028.

Note 4. Enter in column 5, "Adjustments and transfers", amounts that increase or reduce the undepreciated capital cost (column 9). Items that increase the undepreciated capital cost include amounts transferred under section 85, or transferred on amalgamation or winding-up of a subsidiary. Items that reduce the undepreciated capital cost (show amounts that reduce the undepreciated capital cost in brackets) include government assistance received or entitled to be received in the year, or a reduction of capital cost after the application of section 80. See the T2 Corporation Income Tax Guide for other examples of adjustments and transfers to include in column 5.

Note 5. Include all amounts of assistance you received (or were entitled to receive) after the disposition of a depreciable property that would have decreased the capital cost of the property by virtue of paragraph 13(7.1)(f) if received before the disposition.

Note 6. Include all amounts you have repaid during the year with respect to any legally required repayment, made after the disposition of a corresponding property, of:

- assistance that would have otherwise increased the capital cost of the property under paragraph 13(7.1)(d); and
- an inducement, assistance or any other amount contemplated in paragraph 12(1)(x) received, that otherwise would have increased the capital cost of the property under paragraph 13(7.4)(b).

Also include the UCC of each property of a prescribed class acquired in the course of a corporate reorganization described under paragraph 55(3)(b) of the Act (also known as "butterfly reorganization") or in a non-arm's length transaction (other than by virtue of a right referred to in paragraph 251(5)(b) of the Act) if the property was a depreciable property acquired by the transferor less than 364 days before the end of your tax year.

Note 7. For each property disposed of during the year, deduct from the proceeds of disposition any outlays and expenses to the extent that they were made or incurred for the purpose of making the disposition(s). The amount reported in respect of the property cannot exceed the property's capital cost, unless that property is a timber resource property as defined in subsection 13(21).

Note 8. If the amount in column 5 reduces the undepreciated capital cost (i.e. it is shown in brackets), you must subtract it for the purposes of the calculation. Otherwise, add the amount in column 5 for the purposes of the calculation.

Note 9. The relevant factors for AIIP of a class in Schedule II and for property included in classes 54 and 55, available for use before 2024, are:

- 2 1/3 for property in Classes 43.1 and 54;
- 1 1/2 for property in Class 55;
- 1 for property in Classes 43.2 and 53;
- 0 for property in Classes 12, 13, 14, and 15, as well as properties that are Canadian vessels included in paragraph 1100(1)(v) of the Regulations (see note 14 for additional information); and
- 0.5 for all other property that is AIIP.

Note 10. The UCC adjustment for non-AIIP acquired during the year (formerly known as the half-year rule or 50% rule) does not apply to certain property (including AIIP). For special rules and exceptions, see Income Tax Folio S3-F4-C1, General Discussion of Capital Cost Allowance.

Note 11. Enter a rate only if you are using the declining balance method. For any other method (for example the straight-line method, where calculations are always based on the cost of acquisitions), enter N/A. Then enter the amount you are claiming in column 17.

Note 12. If the amount in column 9 is negative, you have a recapture of CCA. If applicable, enter the negative amount from column 9 in column 15 as a positive. The recapture rules do not apply to passenger vehicles in Class 10.1.

Note 13. If no property is left in the class at the end of the tax year and there is still a positive amount in the column 9, you have a terminal loss. If applicable, enter the positive amount from column 9 in column 16. The terminal loss rules do not apply to:

- passenger vehicles in Class 10.1;
- property in Class 14.1, unless you have ceased carrying on the business to which it relates; or
- limited-period franchises, concessions, or licences in Class 14 if, at the time of acquisition, the property was a former property of the transferor or any similar property attributable to the same fixed place of business, and you had jointly elected with the transferor to have the replacement property rules apply.

Note 14. If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See the T2 Corporation Income Tax Guide for more information. For property in class 10.1 disposed of during the year, deduct a maximum of 50% of the regular CCA deduction if you owned the property at the beginning of the tax year. For AIIP listed below, the maximum first year allowance you can claim is determined as follows:

- Class 13: the lesser of 150% of the amount calculated in Schedule III of the Regulations and the UCC at the end of the tax year (before any CCA deduction).
- Class 14: the lesser of 150% of the allocation for the year of the capital cost of the property apportioned over the remaining life of the property (at the time the cost was incurred) and the UCC at the end of the tax year (before any CCA deduction).
- Class 15: the lesser of 150% of an amount computed on the basis of a rate per cord, board foot or cubic metre cut in the tax year and the UCC at the end of the tax year (before any CCA deduction).
- Canadian vessels described under paragraph 1100(1)(v) of the Regulations: the lesser of 50% of the capital cost of the property and the UCC at the end of the tax year (before any CCA deduction).
- Class 41.2: use a 25% CCA rate. The additional allowance under paragraph 1100(1)(y.2)(for single mine properties) and 1100(1)(ya.2)(for multiple mine properties) of the Regulations is not eligible for the accelerated investment incentive. The additional allowance in respect of natural gas liquefaction under paragraph 1100(1)(yb) of the Regulations is eligible for the accelerated investment incentive.
- Property (other than a timber resource property) that is a timber limit or a right to cut timber from a limit: 150% of the amount determined by first subtracting the total of the residual value of the timber limit and all amounts you expended for the 1949 or later tax years for surveys, cruises or preparation of prints, maps or plans for the purpose of obtaining a licence or right to cut timber from the capital cost of the limit or right, and then dividing the result by the quantity of timber in the limit or the quantity of timber you have the right to cut.
- Industrial mineral mine or a right to remove industrial minerals from an industrial mineral mine: 150% of the amount determined by first subtracting the residual value, if any, of the mine or right from the capital cost of the mine or right, and then dividing the result by the number of units of commercially mineable material estimated to be in the mine when the mine or right was acquired (alternatively, if you have acquired a right to remove only a specified number of units, that number of units that you acquired a right to remove).

Fixed Assets Reconciliation

Reconciliation of change in fixed assets per financial statements to amounts used per tax return.

Tax return

Additions for tax purposes – Schedule 8 regular classes		5,134,808		
Additions for tax purposes – Schedule 8 leasehold improvements	+			
Operating leases capitalized for book purposes	+			
Capital gain deferred	+			
Recapture deferred	+			
Deductible expenses capitalized for book purposes – Schedule 1	+			
Other (specify):				
Subsection 13(7.4) election	+	6,432,000		
Additions of Land Rights	+	3,000		
SRED expenditures capitalized for accounting	+	112,192		
Total additions per books	=	11,682,000	▶	11,682,000
Proceeds up to original cost – Schedule 8 regular classes		6,000		
Proceeds up to original cost – Schedule 8 leasehold improvements	+			
Proceeds in excess of original cost – capital gain	+			
Recapture deferred – as above	+			
Capital gain deferred – as above	+			
Pre V-day appreciation	+			
Other (specify):				
Amortization expense in distribution - from S(1)	+	80,000		
Amortization of land rights	+	-10,000		
Total proceeds per books	=	76,000	▶ –	76,000
Depreciation and amortization per accounts – Schedule 1			–	2,656,000
Loss on disposal of fixed assets per accounts			–	76,000
Gain on disposal of fixed assets per accounts			+	
Net change per tax return			=	8,874,000

Financial statements

Fixed assets (excluding land) per financial statements

Closing net book value		76,696,000
Opening net book value	–	67,822,000
Net change per financial statements	=	8,874,000

If the amounts from the tax return and the financial statements differ, explain why below.

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SCHEDULE 9

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
InnPower Corporation	89242 2817 RC0001	2019-12-31

- Complete this schedule if the corporation is related to or associated with at least one other corporation.
- For more information, see the *T2 Corporation Income Tax Guide*.

	Name 100	Country of residence (other than Canada) 200	Business number (see note 1) 300	Relationship code (see note 2) 400	Number of common shares you own 500	% of common shares you own 550	Number of preferred shares you own 600	% of preferred shares you own 650	Book value of capital stock 700
1.	Innservices Utilities Inc.		81689 7326 RC0001	3					
2.	Town of Innisfil		NR	1					
3.	Innterprises Inc.		86556 4595 RC0001	3					

Note 1: Enter "NR" if the corporation is not registered or does not have a business number.
Note 2: Enter the code number of the relationship that applies from the following order: 1 - Parent 2 - Subsidiary 3 - Associated 4 - Related but not associated

T2 SCH 9 (11)

Canada

Continuity of financial statement reserves (not deductible)

Financial statement reserves (not deductible)

	Description	Balance at the beginning of the year	Transfer on an amalgamation or the wind-up of a subsidiary	Add	Deduct	Balance at the end of the year
1	Post retirement benefits	178,083		12,000	90,000	100,083
2						
	Reserves from Part 2 of Schedule 13					
	Totals	178,083		12,000	90,000	100,083

The total opening balance plus the total transfers should be entered on line 414 of Schedule 1 as a deduction.
The total closing balance should be entered on line 126 of Schedule 1 as an addition.

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Schedule 23

Agreement Among Associated Canadian-Controlled Private Corporations to Allocate the Business Limit

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

Column 1: Enter the legal name of each of the corporations in the associated group, including those deemed to be associated under subsection 256(2) of the Income Tax Act.

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

Column 3: Enter the association code from the list below 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** as referred to in subsection 256(2) and has filed Schedule 28, Election not to be Associated Through a Third Corporation
3 – Non-CCPC that is a **third corporation**
4 – Associated non-CCPC
5 – Associated CCPC to which association code 1 does not apply because a **third corporation** has filed Schedule 28

Column 4: Enter the business limit for the year of each corporation in the associated group. Enter "0" if the corporation has association code 2, 3 or 4 in column 3 (except if the corporation is a cooperative or a credit union eligible for the SBD and it has association code 4).

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

Column 6: Enter the business limit allocated to each corporation by multiplying the amount in column 4 by the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A.

Ensure that the total at line A does not exceed $500,000.

Allocating the business limit

Date filed (do not use this area) . . . . . **025** Year Month Day

Enter the calendar year the agreement applies to . . . . . **050** Year 2019

Is this an amended agreement for the above calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? . . . . . **075** ☐ Yes ☒ No

	1 Name of associated corporations **100**	2 Business number of associated corporations **200**	3 Association code **300**	4 Business limit for the year before the allocation $	5 Percentage of the business limit % **350**	6 Business limit allocated* $ **400**
1	InnPower Corporation	89242 2817 RC0001	1	500,000		
2	Innservices Utilities Inc.	81689 7326 RC0001	1	500,000		
3	Town of Innisfil	NR	1	500,000		
4	Innterprises Inc.	86556 4595 RC0001	1	500,000	100.0000	500,000
				Total	100.0000	500,000 A

Business limit reduction under subsection 125(5.1) of the Act

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the factors used in this calculation is the "large corporation amount" at line 415 of the T2 return. The amount at line 415 is determined using the formula 0.225% x (C - $10,000,000). Another factor is the "adjusted aggregate investment income" from lines 744 and 745 of Schedule 7, Aggregate Investment Income and Income Eligible for the Small Business Deduction. Details of these formulas and variable C are in subsection 125(5.1) of the Act.

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

Special rules for business limit

Special rules apply under subsection 125(5) if a CCPC has more than one tax year ending in the same calendar year and it is associated in more than one of those tax years with another CCPC that has a tax year ending in that calendar year. The business limit for the second or later tax year will be equal to the lesser of: the business limit determined for the first tax year ending in the calendar year or the business limit determined for the second or later tax year ending in the same calendar year.

Canada Revenue Agency / Agence du revenu du Canada

Schedule 31

Investment Tax Credit – Corporations

General information

- Use this schedule:
  - to calculate an investment tax credit (ITC) earned during the tax year;
  - to claim a deduction against Part I tax payable;
  - to claim a refund of credit earned during the current tax year;
  - to claim a carryforward of credit from previous tax years;
  - to transfer a credit following an amalgamation or the wind-up of a subsidiary, as described under subsections 87(1) and 88(1);
  - to request a credit carryback to one or more previous years;
  - if you are subject to a recapture of ITC; or
  - if you are claiming:
    - the **Ontario Research and Development Tax Credit**;
    - the **Ontario Innovation Tax Credit.**
- Unless otherwise stated, all legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- The ITC is eligible for a three-year carryback (if not deductible in the year earned). It is also eligible for a twenty-year carryforward.
- Investments or expenditures, described in subsection 127(9) and Regulation Part XLVI, that earn an ITC are:
  - qualified property and qualified resource property (Parts 4 to 7 of this schedule);
  - qualified scientific research and experimental development (SR&ED) expenditures (Parts 8 to 17). File Form T661, *Scientific Research and Experimental Development (SR&ED) Expenditures Claim*;
  - pre-production mining expenditures (Parts 18 to 20);
  - apprenticeship job creation expenditures (Parts 21 to 23); and
  - child care spaces expenditures (Parts 24 to 28).
    - Expenditures related to child care spaces incurred after March 21, 2017 no longer qualify for the investment tax credit. If you entered into a written agreement before March 22, 2017, eligible expenditures incurred before 2020 will remain eligible for the credit.
- File this schedule with the *T2 Corporation Income Tax Return*. If you need more space, attach additional schedules.
- For more information on ITCs, see "Investment Tax Credit" in Guide T4012, *T2 Corporation – Income Tax Guide* and read Information Circular IC78-4, *Investment Tax Credit Rates*, and its related Special Release.
- For more information on SR&ED, see guide T4088, *Guide to Form T661 – Scientific Research and Experimental Development (SR&ED) Expenditures Claim*.

Detailed information

- For the purpose of this schedule, **investment** means the capital cost of the property (excluding amounts added by an election under section 21), determined without reference to subsections 13(7.1) and 13(7.4), minus the amount of any government or non-government assistance that the corporation has received, is entitled to receive, or can reasonably be expected to receive for that property when it files the income tax return for the year in which the property was acquired.
- An ITC deducted or refunded in a tax year for a depreciable property, other than a depreciable property deductible under paragraph 37(1)(b), reduces both the capital cost of that property and the undepreciated capital cost of that class in the next tax year. An ITC for SR&ED deducted or refunded in a tax year will reduce the balance in the pool of deductible SR&ED expenditures and the adjusted cost base (ACB) of an interest in a partnership in the next tax year. An ITC from pre-production mining expenditures deducted in a tax year reduces the balance in the pool of deductible cumulative Canadian exploration expenses in the next tax year.
- Property acquired has to be **available for use** before a claim for an ITC can be made. See subsections 127(11.2) and 248(19) for more information.
- Expenditures for SR&ED and capital costs for a property qualifying for an ITC must be identified by the claimant on Form T661 and Schedule 31 no later than 12 months after the claimant's income tax return is due for the tax year in which it incurred the expenditures or capital costs.
- Expenditures for pre-production mining, apprenticeship, or child care space for an ITC must be identified by the claimant on Schedule 31 no later than 12 months after the claimant's income tax return is due for the tax year in which it incurred the expenditures or capital costs.
- Partnership allocations – Subsection 127(8) provides for the allocation of the amount that may reasonably be considered to be a partner's share of the ITCs of the partnership at the end of the fiscal period of the partnership. An allocation of ITCs is generally considered to be the partner's reasonable share of the ITCs if it is made in the same proportion in which the partners have agreed to share any income or loss and if section 103 is not applicable for the agreement to share any income or loss. Special rules apply to specified members of a partnership and limited partners. For more information, see Guide T4068, *Guide for the Partnership Information Return*.
- For tax purposes**,** Canada includes the **exclusive economic zone of Canada** as defined in the *Oceans Act* (which generally consists of an area of the sea that is within 200 nautical miles from the Canadian coastline), including the airspace, seabed and subsoil of that zone.
- For the purpose of this schedule, the expression **Atlantic Canada** includes the Gaspé Peninsula and the provinces of Newfoundland and Labrador, Prince Edward Island, Nova Scotia, and New Brunswick, as well as their respective offshore regions (prescribed in Regulation 4609).
- For the purpose of this schedule, **qualified property** means property in Atlantic Canada that is used primarily for manufacturing and processing, farming or fishing, logging, storing grain, or harvesting peat. Property in Atlantic Canada that is used primarily for oil and gas, and mining activities is considered qualified property only if acquired by the taxpayer **before** March 29, 2012. Qualified property includes new buildings and new machinery and equipment (prescribed in Regulation 4600), and if acquired by the taxpayer **after** March 28, 2012, new energy generation and conservation property (prescribed in Regulation 4600). Qualified property can also be used primarily to produce or process electrical energy or steam in a prescribed area (as described in Regulation 4610). See the definition of **qualified property** in subsection 127(9) for more information.

Detailed information (continued)

- For the purpose of this schedule, **qualified resource property** means property in Atlantic Canada that is used primarily for oil and gas, and mining activities, if acquired by the taxpayer **after** March 28, 2012, and **before** January 1, 2016. Qualified resource property includes new buildings and new machinery and equipment (prescribed in Regulation 4600). See the definition of **qualified resource property** in subsection 127(9) for more information.
- For the purpose of this schedule, **pre-production mining exploration expenditures** are pre-production mining expenditures incurred **after** March 28, 2012, by the taxpayer to determine the existence, location, extent, or quality of certain mineral resources in Canada, excluding expenses incurred in the exploration of an oil or gas well. See subparagraph (a)(i) of the definition of **pre-production mining expenditure** in subsection 127(9) for more information.
- For the purpose of this schedule, **pre-production mining development expenditures** are pre-production mining expenditures incurred **after** March 28, 2012, by the taxpayer to bring a new mineral resource mine in Canada into production, excluding expenses in the development of a bituminous sands deposit or an oil shale deposit. See subparagraph (a)(ii) of the definition of **pre-production mining expenditure** in subsection 127(9) for more information.

Part 1 – Investments, expenditures, and percentages

Investments	**Specified percentage**
Qualified property acquired primarily for use in Atlantic Canada	10 %
Qualified resource property acquired primarily for use in Atlantic Canada and acquired:	
– after March 28, 2012, and before 2014	10 %
– after 2013 and before 2016	5 %
– after 2015*	0 %
Expenditures	
If you are a Canadian-controlled private corporation (CCPC), this percentage may apply to the portion that you claim of the SR&ED qualified expenditure pool that does not exceed your expenditure limit (see Part 10)	35 %
Note: If your current year's qualified expenditures are more than your expenditure limit (see Part 10), the excess is eligible for an ITC calculated at the 15 % rate.	
If you are a corporation that is not a CCPC and have incurred qualified expenditures for SR&ED in any area in Canada:	
– before 2014**	20 %
– after 2013**	15 %
If you are a taxable Canadian corporation that incurred pre-production mining expenditures before March 29, 2012	10 %
If you are a taxable Canadian corporation that incurred pre-production mining exploration expenditures:	
– after March 28, 2012, and before 2013	10 %
– in 2013	5 %
– after 2013	0 %
If you are a taxable Canadian corporation that incurred pre-production mining development expenditures***:	
– after March 28, 2012, and before 2014	10 %
– in 2014	7 %
– in 2015	4 %
– after 2015	0 %
If you paid salary and wages to apprentices in the first 24 months of their apprenticeship contract for employment	10 %
If you incurred expenditures after March 18, 2007 and before March 22, 2017 (or before 2020 if you entered into a written agreement before March 22, 2017) for the creation of licensed child care spaces for the children of your employees and, potentially, for other children	25 %

* A transitional relief rate of 10% may apply to property acquired after 2013 and before 2017, if the property is acquired under a written agreement entered into before March 29, 2012, or the property is acquired as part of a **phase** of a project where the construction or the engineering and design work for the construction started before March 29, 2012. See paragraph (a.1) of the definition of **specified percentage** in subsection 127(9) for more information.

** The reduction of the rate from 20% to 15% applies to 2014 and later tax years, except that, for 2014 tax years that start before 2014, the reduction is pro-rated based on the number of days in the tax year that are after 2013.

*** A transitional relief rate may apply to expenditures incurred after 2013 and before 2016, if the expenditure is incurred under a written agreement entered into before March 29, 2012, or the expenditure is incurred as part of the development of a new mine where the construction or the engineering and design work for the construction of the new mine started before March 29, 2012. See subparagraphs (k)(ii) and (iii) of the definition of **specified percentage** in subsection 127(9) for more information.

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2019-12-31

Part 2 – Determination of a qualifying corporation

Is the corporation a qualifying corporation? . . . . **101** 1 Yes [ ] 2 No [X]

For the purpose of a refundable ITC, a **qualifying corporation** is defined under subsection 127.1(2). The corporation has to be a CCPC and its taxable income (before any loss carrybacks) for its previous tax year cannot be more than its **qualifying income limit** for the particular tax year. If the corporation is associated with any other corporations during the tax year, the total of the taxable incomes of the corporation and the associated corporations (before any loss carrybacks), for their last tax year ending in the previous calendar year, cannot be more than their qualifying income limit for the particular tax year.

Note: A CCPC considered associated with another corporation under subsection 256(1) will be considered **not** associated for the calculation of a refundable ITC if:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of both corporations; and
- one of the corporations has at least one shareholder who is not common to both corporations.

If you are a **qualifying** corporation, you will earn a **100%** refund on your share of any ITCs earned at the 35% rate on qualified **current** expenditures for SR&ED, up to the allocated expenditure limit. The 100% refund does not apply to qualified **capital** expenditures eligible for the 35% credit rate. They are only eligible for the **40%** refund*.

Some CCPCs that are **not qualifying** corporations may also earn a **100%** refund on their share of any ITCs earned at the 35% rate on qualified **current** expenditures for SR&ED, up to the allocated expenditure limit. The expenditure limit can be determined in Part 10. The 100% refund does not apply to qualified **capital** expenditures eligible for the 35% credit rate. They are only eligible for the **40%** refund*.

The 100% refund will not be available to a corporation that is an **excluded corporation** as defined under subsection 127.1(2). A corporation is an excluded corporation if, at any time during the year, it is a corporation that is either controlled by (directly or indirectly, in any manner whatever) or is related to:

a) one or more persons exempt from Part I tax under section 149;

b) Her Majesty in right of a province, a Canadian municipality, or any other public authority; or

c) any combination of persons referred to in a) or b) above.

* Capital expenditures incurred after December 31, 2013, including lease payments for property that would have been a capital expenditure if purchased directly, are **not** qualified SR&ED expenditures and are **not** eligible for an ITC on SR&ED expenditures.

Part 3 – Corporations in the farming industry

Complete this area if the corporation is making SR&ED contributions.

Is the corporation claiming a contribution in the current year to an agricultural organization whose goal is to finance SR&ED work (for example, check-off dues)? . . . . **102** 1 Yes [ ] 2 No [X]

If **yes**, complete Schedule 125, *Income Statement Information*, to identify the type of farming industry the corporation is involved in.

Contributions to agricultural organizations for SR&ED* . . . . **103** ____________
Enter on line 350 of Part 8.

* Enter only contributions not already included on Form T661.
Include 80% of the contributions made **after** 2012. For contributions made **before** 2013, include all of the contributions.

Qualified Property and Qualified Resource Property

Part 4 – Eligible investments for qualified property and qualified resource property from the current tax year

Capital cost allowance class number **105**	Description of investment **110**	Date available for use **115**	Location used in Atlantic Canada (province) **120**	Amount of investment **125**
			Total of investments for qualified property and qualified resource property	A1

Part 5 – Current-year credit and account balances – ITC from investments in qualified property and qualified resource property

ITC at the end of the previous tax year B1

Credit deemed as a remittance of co-op corporations 210

Credit expired 215

Subtotal (line 210 **plus** line 215) ▶ C1

ITC at the beginning of the tax year (amount B1 **minus** amount C1) 220

Credit transferred on an amalgamation or the wind-up of a subsidiary 230

ITC from repayment of assistance 235

Qualified property; and qualified resource property acquired after March 28, 2012, and before January 1, 2014* (applicable part from amount A1 in Part 4) . . . . . x 10 % = 240

Qualified resource property acquired after December 31, 2013, and before January 1, 2016 (applicable part from amount A1 in Part 4) . . . . . x 5 % = 242

Credit allocated from a partnership 250

Subtotal (total of lines 230 to 250) ▶ D1

Total credit available (line 220 **plus** amount D1) E1

Credit deducted from Part I tax 260

Credit carried back to previous years (amount H1 in Part 6) . . . . . a

Credit transferred to offset Part VII tax liability 280

Subtotal (total of line 260, amount a, and line 280) ▶ F1

Credit balance before refund (amount E1 **minus** amount F1) G1

Refund of credit claimed on investments from qualified property and qualified resource property (from Part 7) 310

ITC closing balance of investments from qualified property and qualified resource property (amount G1 **minus** line 310) 320

* Include investments acquired after 2013 and before 2017 that are eligible for transitional relief.

Part 6 – Request for carryback of credit from investments in qualified property and qualified resource property

	Year	Month	Day			
1st previous tax year				Credit to be applied	901	
2nd previous tax year				Credit to be applied	902	
3rd previous tax year				Credit to be applied	903	

Total of lines 901 to 903
Enter at amount a in Part 5. H1

Part 7 – Refund of ITC for qualifying corporations on investments from qualified property and qualified resource property

Current-year ITCs (total of lines 240, 242, and 250 in Part 5) I1

Credit balance before refund (from amount G1 in Part 5) J1

Refund (40 % of amount I1 or J1, whichever is less) K1

Enter amount K1 or a lesser amount on line 310 in Part 5 (also enter on line 780 of the T2 return if you do not claim an SR&ED ITC refund).

SR&ED

Part 8 – Qualified SR&ED expenditures

Current expenditures (from line 557 on Form T661)		128,236		
Contributions to agricultural organizations for SR&ED				
Deduct:				
Government assistance, non-government assistance, or contract payment				
Contributions to agricultural organizations for SR&ED for the federal ITC (this amount is updated to line 103 of Part 3. For more details, consult the Help.)*		+		
Current expenditures (line 557 on Form T661 **plus** line 103 in Part 3)*		128,236	**350**	128,236
Capital expenditures incurred **before** 2014 (from line 558 on Form T661)**			**360**	
Repayments made in the year (from line 560 on Form T661)			**370**	
Qualified SR&ED expenditures (total of lines 350 to 370)			**380**	128,236

* If you are claiming only contributions made to agricultural organizations for SR&ED, line 350 should equal line 103 in Part 3. Do not file Form T661.

** Capital expenditures incurred after December 31, 2013, are not qualified SR&ED expenditures. Capital cost allowance can be claimed for depreciable property acquired for use in SR&ED after 2013.

Part 9 – Components of the SR&ED expenditure limit calculation

Part 9 only applies if you are a CCPC.

Note: A CCPC considered associated with another corporation under subsection 256(1) will be considered not associated for the calculation of an SR&ED expenditure limit if:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of the corporation; and
- one of the corporations has at least one shareholder who is not common to both corporations.

Is the corporation associated with another CCPC for the purpose of calculating the SR&ED expenditure limit? **385** 1 Yes [X] 2 No [ ]

If you answered **no** to the question on line 385 or if you are not associated with any other corporations, complete lines 390 and 398.
If you answered **yes**, the amounts for associated corporations will be determined on Schedule 49.

Enter your taxable income for the previous tax year* (prior to any loss carrybacks applied) **390** ______

Enter your taxable capital employed in Canada for the previous tax year minus $10 million. If this amount is nil or negative, enter "0". If this amount is over $40 million, enter $40 million **398** ______

* If the tax year referred to on line 390 is less than 51 weeks, **multiply** the taxable income by the following result: 365 **divided** by the number of days in that tax year.

Part 10 – SR&ED expenditure limit for a CCPC

For a stand-alone (not associated) corporation: **$ 8,000,000**

Taxable income for the previous tax year (line 390 in Part 9) or $500,000, whichever is more ______ x 10 = ______ A2

Excess ($8,000,000 **minus** amount A2 if the taxation year ends before March 19, 2019; otherwise, enter $3,000,000) (if negative, enter "0")* ______ B2

$ 40,000,000 **minus** line 398 in Part 9 ______ b

Amount b **divided** by $ 40,000,000 ______ C2

Expenditure limit for the stand-alone corporation (amount B2 **multiplied** by amount C2)** ______ D2

For an associated corporation:

If associated, the allocation of the SR&ED expenditure limit, as provided on Schedule 49** **400** ______ E2

If your tax year is less than 51 weeks, calculate the amount of the expenditure limit as follows:

Amount D2 or E2 ______ x (Number of days in the tax year 365 / 365) = ______ F2

Your SR&ED expenditure limit for the year (enter amount D2, E2, or F2, whichever applies) **410** ______

* For taxation years ending after March 18, 2019, the taxable income is no longer taken into account in the SR&ED expenditure limit calculation. For more information, consult the Help (F1).

** Amount D2 or E2 cannot be more than $3,000,000.

Part 11 – Investment tax credits on SR&ED expenditures

Current expenditures (from line 350 in Part 8) or the expenditure limit (from line 410 in Part 10), whichever is less*	420		x 35 % =		G2
Line 350 **minus** line 410 (if negative, enter "0")	430	128,236			

Amount from line 430 ______ x (Number of days in the tax year before 2014 ______ / Number of days in the tax year) x 20% = ______ c

Amount from line 430** 128,236 x (Number of days in the tax year after 2013 365 / Number of days in the tax year 365) x 15 % = 19,235 d

Subtotal (amount c **plus** amount d) . . . . 19,235 ► 19,235 H2

Line 410 **minus** line 350 (if negative, enter "0") . . . . ______ e

Capital expenditures (line 360 in Part 8) or amount e, whichever is less*	440		x 35 % =		I2
Line 360 **minus** amount e (if negative, enter "0")	450				

Amount from line 450 ______ x (Number of days in the tax year before 2014 ______ / Number of days in the tax year) x 20% = ______ f

Amount from line 450** ______ x (Number of days in the tax year after 2013 365 / Number of days in the tax year 365) x 15 % = ______ g

Subtotal (amount f **plus** amount g) . . . . ______ ► ______ J2

If a corporation makes a repayment of any government or non-government assistance, or contract payments that reduced the amount of qualified expenditures for ITC purposes, the amount of the repayment is eligible for a credit.

Repayments (amount from line 370 in Part 8) . . . . . ______

Enter the amount of the repayment on the line that corresponds to the appropriate rate.

Repayment of assistance that reduced a qualifying expenditure for a CCPC***	460		x 35 % =		h
Repayment of assistance made after September 16, 2016 that reduced a qualifying expenditure incurred before 2015	480		x 20 % =		i
Repayment of assistance made after September 16, 2016 that reduced a qualifying expenditure incurred after 2014	490		x 15 % =		j

Subtotal (**add** amounts h to j) ______ ► ______ K2

Current-year SR&ED ITC (total of amounts G2 to K2; enter on line 540 in Part 12) 19,235 L2

* For corporations that are not CCPCs, enter "0" for amounts G2 and I2.

** For tax years that end after 2013, the general SR&ED ITC rate is reduced from 20% to 15%, except that, for 2014 tax years that start **before** 2014, the reduction is pro-rated based on the number of days in the tax year that are **after** 2013. For tax years that have a start date **after** 2013, **multiply** the amount by 15%.

*** If you were a Canadian-controlled private corporation (CCPC), this percentage was applied to the portion that you claimed of the SR&ED qualified expenditure pool that did not exceed your expenditure limit at the time. This percentage includes the rate under subsection 127(10.1), **additions to investment tax credit**. See subsection 127(10.1) for details about exceptions. For expenditures not eligible for this rate use line 480 or 490 as appropriate.

Part 12 – Current-year credit and account balances – ITC from SR&ED expenditures

ITC at the end of the previous tax year				37,158	M2
Credit deemed as a remittance of co-op corporations	510				
Credit expired	515				
Subtotal (line 510 **plus** line 515)			▶		N2
ITC at the beginning of the tax year (amount M2 **minus** amount N2)			520	37,158	
Credit transferred on an amalgamation or the wind-up of a subsidiary	530				
Total current-year credit (from amount L2 in Part 11)	540	19,235			
Credit allocated from a partnership	550				
Subtotal (total of lines 530 to 550)		19,235	▶	19,235	O2
Total credit available (line 520 **plus** amount O2)				56,393	P2
Credit deducted from Part I tax	560	56,393			
Credit carried back to previous years (amount S2 in Part 13)			k		
Credit transferred to offset Part VII tax liability	580				
Subtotal (total of line 560, amount k, and line 580)		56,393	▶	56,393	Q2
Credit balance before refund (amount P2 **minus** amount Q2)					R2
Refund of credit claimed on SR&ED expenditures (from Part 14 or 15, whichever applies)			610		
ITC closing balance on SR&ED (amount R2 **minus** line 610)			620		

Part 13 – Request for carryback of credit from SR&ED expenditures

	Year	Month	Day				
1st previous tax year				Credit to be applied	911		
2nd previous tax year				Credit to be applied	912		
3rd previous tax year				Credit to be applied	913		
				Total of lines 911 to 913 Enter at amount k in Part 12.			S2

Part 14 – Refund of ITC for qualifying corporations – SR&ED

Complete this part only if you are a qualifying corporation as determined on line 101 in Part 2.

Is the corporation an excluded corporation as defined under subsection 127.1(2)? . . . . . 650 1 Yes [ ] 2 No [X]

Current-year ITC (lines 540 **plus** 550 in Part 12 **minus** amount K2 in Part 11)		I
Refundable credits (amount I or amount R2 in Part 12, whichever is less)*		T2
Amount T2 or amount G2 in Part 11, whichever is less		U2
Net amount (amount T2 **minus** amount U2; if negative, enter "0")		V2
Amount V2 **multiplied** by 40 %		W2
Amount U2		X2
Refund of ITC (amount W2 **plus** amount X2 – enter this, or a lesser amount, on line 610 in Part 12)		Y2

Enter the total of line 310 in Part 5 and line 610 in Part 12 on line 780 of the T2 return.

* If you are also an excluded corporation, as defined in subsection 127.1(2), this amount must be multiplied by 40%. Claim this, or a lesser amount, as your refund of ITC for amount Y2.

Part 15 – Refund of ITC for CCPCs that are not qualifying or excluded corporations – SR&ED

Complete this part only if you are a CCPC that is not a qualifying or excluded corporation as determined on line 101 in Part 2.

Credit balance before refund (amount R2 in Part 12)		Z2
Amount Z2 or amount G2 in Part 11, whichever is less		AA2
Net amount (amount Z2 **minus** amount AA2; if negative, enter "0")		BB2
Amount BB2 or amount I2 in Part 11, whichever is less		CC2
Amount CC2 **multiplied** by 40 %		DD2
Amount AA2		EE2
Refund of ITC (amount DD2 **plus** amount EE2)		FF2

Enter FF2, or a lesser amount, on line 610 in Part 12 and also on line 780 of the T2 return.

Recapture – SR&ED

Part 16 – Recapture of ITC for corporations and partnerships – SR&ED

You will have a recapture of ITC in a year when **all** of the following conditions are met:

- you acquired a particular property in the current year or in any of the 20 previous tax years, and the credit was earned in a tax year ending after 1997 and did not expire before 2008;
- you claimed the cost of the property as a qualified expenditure for SR&ED on Form T661;
- the cost of the property was included in calculating your ITC or was the subject of an agreement made under subsection 127(13) to transfer qualified expenditures; and
- you disposed of the property or converted it to commercial use after February 23, 1998. This condition is also met if you disposed of or converted to commercial use a property that incorporates the particular property previously referred to.

Note:

The recapture **does not apply** if you disposed of the property to a non-arm's-length purchaser who intended to use it all or substantially all for SR&ED. When the non-arm's-length purchaser later sells or converts the property to commercial use, the recapture rules will apply to the purchaser based on the historical ITC rate of the original user.

You will report a recapture on the T2 return for the year in which you disposed of the property or converted it to commercial use. In the following tax year, add the amount of the ITC recapture to the SR&ED expenditure pool.

If you have more than one disposition for calculations 1 and 2, complete the columns for each disposition for which a recapture applies, using the calculation formats below.

Calculation 1 – If you meet all of the above conditions

Amount of ITC you originally calculated for the property you acquired, or the original user's ITC where you acquired the property from a non-arm's length party, as described in the **note** above 700	Amount calculated using ITC rate at the date of acquisition (or the original user's date of acquisition) on either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value of the property (in any other case) 710	Amount from column 700 or 710, whichever is less

Subtotal Enter at amount C3 in Part 17. A3

Calculation 2 – Only if you transferred all or a part of the qualified expenditure to another person under an agreement described in subsection 127(13); otherwise, enter nil on line B3.

A Rate that the transferee used in determining its ITC for qualified expenditures under a subsection 127(13) agreement 720	B Proceeds of disposition of the property if you dispose of it to an arm's length person; or, in any other case, enter the fair market value of the property at conversion or disposition 730	C Amount, if any, already provided for in Calculation 1 (This allows for the situation where only part of the cost of a property is transferred under a subsection 127(13) agreement.) 740	D Amount determined by the formula (A x B) – C	E ITC earned by the transferee for the qualified expenditures that were transferred 750	F Amount from column D or E, whichever is less

Subtotal (total of column F) Enter at amount D3 in Part 17. B3

Part 16 – Recapture of ITC for corporations and partnerships – SR&ED (continued)

Calculation 3

As a member of the partnership, you will report your share of the SR&ED ITC of the partnership after the SR&ED ITC has been reduced by the amount of the recapture. If this amount is a positive amount, you will report it on line 550 in Part 12. However, if the partnership does not have enough ITC otherwise available to offset the recapture, then the amount by which reductions to ITC exceed additions (the excess) will be determined and reported on line 760.

Corporate partner's share of the excess of SR&ED ITC **760** ______
Enter at amount E3 in Part 17.

Part 17 – Total recapture of SR&ED investment tax credit

Recaptured ITC from calculation 1, amount A3 in Part 16		C3
Recaptured ITC from calculation 2, amount B3 in Part 16		D3
Recaptured ITC from calculation 3, line 760 in Part 16		E3
Total recapture of SR&ED investment tax credit (total of amounts C3 to E3) Enter at amount A8 in Part 29.		F3

Pre-Production Mining

Part 18 – Pre-production mining expenditures

Exploration information

A mineral resource that qualifies for the credit means a mineral deposit from which the principal mineral to be extracted is diamond, a base or precious metal deposit, or a mineral deposit from which the principal mineral to be extracted is an industrial mineral that, when refined, results in a base or precious metal.

In column 800, list all minerals for which pre-production mining expenditures have taken place in the tax year.

For each of the minerals reported in column 800, identify each project (in column 805), mineral title (in column 806), and mining division (in column 807) where title is registered. If there is no mineral title, identify only the project and mining division.

List of minerals 800	Project name 805

Mineral title 806	Mining division 807

Pre-production mining expenditures*

Exploration:

Pre-production mining expenditures that you incurred in the tax year (**before** January 1, 2014) for the purpose of determining the existence, location, extent, or quality of a mineral resource in Canada:

Prospecting	810	
Geological, geophysical, or geochemical surveys	811	
Drilling by rotary, diamond, percussion, or other methods	812	
Trenching, digging test pits, and preliminary sampling	813	

Development:

Pre-production mining expenditures incurred in the tax year for bringing a new mine in a mineral resource in Canada into production in reasonable commercial quantities and incurred before the new mine comes into production in such quantities:

Clearing, removing overburden, and stripping	820	
Sinking a mine shaft, constructing an adit, or other underground entry	821	

Other pre-production mining expenditures incurred in the tax year:

Description 825	Amount 826

Total of column 826 ► A4

Total pre-production mining expenditures (total of lines 810 to 821 and amount A4)	830		
Total of all assistance (grants, subsidies, rebates, and forgivable loans) or reimbursements that the corporation has received or is entitled to receive in respect of the amounts referred to on line 830 above	832		
Excess (line 830 **minus** line 832) (if negative, enter "0")			B4
Repayments of government and non-government assistance	835		
Pre-production mining expenditures (amount B4 **plus** line 835)			C4

* A pre-production mining expenditure is defined under subsection 127(9).

Part 19 – Current-year credit and account balances – ITC from pre-production mining expenditures

ITC at the end of the previous tax year					D4
Credit deemed as a remittance of co-op corporations			841		
Credit expired			845		
Subtotal (line 841 **plus** line 845)				►	E4
ITC at the beginning of the tax year (amount D4 **minus** amount E4)				850	
Credit transferred on an amalgamation or the wind-up of a subsidiary				860	
Pre-production mining expenditures* incurred before January 1, 2013 (applicable part from amount C4 in Part 18)	870	x	10 % =		m
Pre-production mining exploration expenditures** incurred in 2013 (applicable part from amount C4 in Part 18)	872	x	5 % =		n
Pre-production mining development expenditures incurred in 2014 (applicable part from amount C4 in Part 18)	874	x	7 % =		o
Pre-production mining development expenditures incurred in 2015 (applicable part from amount C4 in Part 18)	876	x	4 % =		p
Current year credit (total of amounts m to p)			880	►	F4
Total credit available (total of lines 850, 860, and amount F4)					G4
Credit deducted from Part I tax			885		
Credit carried back to previous years (amount I4 in Part 20)					q
Subtotal (line 885 **plus** amount q)				►	H4
ITC closing balance from pre-production mining expenditures (amount G4 **minus** amount H4)				890	

* Also include pre-production mining development expenditures incurred before 2014 and pre-production mining development expenditures incurred after 2013 and before 2016 that are eligible for transitional relief.

** Also include pre-production mining development expenditures incurred in 2015 if the expense is described in subparagraph (a)(ii) of the definition **pre-production mining expenditure** in subsection 127(9) of the Act because of paragraph (g.4) of the definition **Canadian exploration expense** in subsection 66.1(6) of the Act.

Part 20 – Request for carryback of credit from pre-production mining expenditures

	Year	Month	Day			
1st previous tax year				Credit to be applied	921	
2nd previous tax year				Credit to be applied	922	
3rd previous tax year				Credit to be applied	923	

Total of lines 921 to 923
Enter at amount q in Part 19. I4

Apprenticeship Job Creation

Part 21 – Total current-year credit – ITC from apprenticeship job creation expenditures

If you are a related person as defined under subsection 251(2), has it been agreed in writing that you are the only employer who will be claiming the apprenticeship job creation tax credit for this tax year for each apprentice whose contract number (or social insurance number (SIN) or name) appears below? (If not, you cannot claim the tax credit.) . . . . **611** 1 Yes ☐ 2 No ☐

For each apprentice in their first 24 months of the apprenticeship, enter the apprenticeship contract number registered with Canada, or a province or territory, under an apprenticeship program designed to certify or license individuals in the trade. For the province, the trade must be a Red Seal trade. If there is no contract number, enter the SIN or the name of the eligible apprentice.

A Contract number (SIN or name of apprentice) **601**	B Name of eligible trade **602**	C Eligible salary and wages* **603**	D Column C x 10 % **604**	E Lesser of column D or $ 2,000 **605**

Total current-year credit (total of column E) Enter on line 640 in Part 22. ______ A5

* Other than qualified expenditure incurred, and net of any other government or non-government assistance received or to be received. **Eligible salary and wages**, and **qualified expenditures** are defined under subsection 127(9).

Part 22 – Current-year credit and account balances – ITC from apprenticeship job creation expenditures

ITC at the end of the previous tax year . . . . ______ B5

Credit deemed as a remittance of co-op corporations . . . . **612** ______

Credit expired after 20 tax years . . . . **615** ______

Subtotal (line 612 **plus** line 615) ______ ► ______ C5

ITC at the beginning of the tax year (amount B5 **minus** amount C5) . . . . **625** ______

Credit transferred on an amalgamation or the wind-up of a subsidiary . . . . . . **630** ______

ITC from repayment of assistance . . . . **635** ______

Total current-year credit (amount A5 in Part 21) . . . . **640** ______

Credit allocated from a partnership . . . . **655** ______

Subtotal (total of lines 630 to 655) ______ ► ______ D5

Total credit available (line 625 **plus** amount D5) . . . . ______ E5

Credit deducted from Part I tax . . . . **660** ______

Credit carried back to previous years (amount G5 in Part 23) . . . . ______ r

Subtotal (line 660 **plus** amount r) ______ ► ______ F5

ITC closing balance from apprenticeship job creation expenditures (amount E5 **minus** amount F5) . . . . **690** ______

Part 23 – Request for carryback of credit from apprenticeship job creation expenditures

	Year Month Day			
1st previous tax year		Credit to be applied	**931**	
2nd previous tax year		Credit to be applied	**932**	
3rd previous tax year		Credit to be applied	**933**	

Total of lines 931 to 933 Enter at amount r in Part 22. ______ G5

Child Care Spaces

Part 24 – Eligible child care spaces expenditures

Enter the eligible expenditures that you incurred after March 18, 2007 and before March 22, 2017* to create licensed child care spaces for the children of the employees and, potentially, for other children. You cannot be carrying on a child care services business. The eligible expenditures include:

- the cost of depreciable property (other than specified property); and
- the specified child care start-up expenditures.

Properties should be acquired and expenditures should be incurred only to create new child care spaces at a licensed child care facility.

Cost of depreciable property from the current tax year

	Capital cost allowance class number 665	Description of investment 675	Date available for use 685	Amount of investment 695
1.				

Total cost of depreciable property from the current tax year (total of column 695) **715** ________

Specified child care start-up expenditures from the current tax year . . . **705** ________

Total gross eligible expenditures for child care spaces (line 715 **plus** line 705) . . . ________ A6

Total of all assistance (including grants, subsidies, rebates, and forgivable loans) or reimbursements that the corporation has received or is entitled to receive in respect of the amounts referred to in amount A6 . . . **725** ________

Excess (amount A6 **minus** line 725) (if negative, enter "0") . . . ________ B6

Repayments by the corporation of government and non-government assistance . . . **735** ________

Total eligible expenditures for child care spaces (amount B6 **plus** line 735) . . . **745** ________

* If you entered into a written agreement before March 22, 2017, eligible expenditures incurred before 2020 will remain eligible for the credit.

Part 25 – Current-year credit – ITC from child care spaces expenditures

The credit is equal to 25% of eligible child care spaces expenditures incurred to a maximum of $10,000 per child care space created in a licensed child care facility.

Eligible expenditures (from line 745 in Part 24) . . . ________ x 25 % = ________ C6

Number of child care spaces . . . **755** ________ x $ 10,000 = ________ D6

ITC from child care spaces expenditures (amount C6 or D6, whichever is less) . . . ________ E6

Part 26 – Current-year credit and account balances – ITC from child care spaces expenditures

ITC at the end of the previous tax year				F6
Credit deemed as a remittance of co-op corporations	765			
Credit expired after 20 tax years	770			
Subtotal (line 765 **plus** line 770)			►	G6
ITC at the beginning of the tax year (amount F6 **minus** amount G6)			775	
Credit transferred on an amalgamation or the wind-up of a subsidiary	777			
Total current-year credit (amount E6 in Part 25)	780			
Credit allocated from a partnership	782			
Subtotal (total of lines 777 to 782)			►	H6
Total credit available (line 775 **plus** amount H6)				I6
Credit deducted from Part I tax	785			
Credit carried back to previous years (amount K6 in Part 27)			s	
Subtotal (line 785 **plus** amount s)			►	J6
ITC closing balance from child care spaces expenditures (amount I6 **minus** amount J6)			790	

Part 27 – Request for carryback of credit from child care space expenditures

	Year Month Day				
1st previous tax year	2018-12-31	Credit to be applied	941		
2nd previous tax year	2017-12-31	Credit to be applied	942		
3rd previous tax year	2016-12-31	Credit to be applied	943		
		Total of lines 941 to 943 Enter at amount s in Part 26.			K6

Recapture – Child Care Spaces

Part 28 – Recapture of ITC for corporations and partnerships – Child care spaces

The ITC will be recovered against the taxpayer's tax otherwise payable under Part I of the Act if, at any time within 60 months of the day on which the taxpayer acquired the property:

- the new child care space is no longer available; or
- property that was an eligible expenditure for the child care space is:
  - disposed of or leased to a lessee; or
  - converted to another use.

If the property disposed of is a child care space, the amount that can reasonably be considered to have been included in the original ITC (paragraph 127(27.12)(a))			792	
In the case of eligible expenditures (paragraph 127(27.12)(b)), the lesser of:				
The amount that can reasonably be considered to have been included in the original ITC	795			
25% of either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value (in any other case) of the property	797			
Amount from line 795 or line 797, whichever is less				A7

Partnerships

As a member of the partnership, you will report your share of the child care spaces ITC of the partnership after the child care spaces ITC has been reduced by the amount of the recapture. If this amount is a positive amount, you will report it on line 782 in Part 26. However, if the partnership does not have enough ITC otherwise available to offset the recapture, then the amount by which reductions to ITC exceed additions (the excess) will be determined and reported on line 799 below.

Corporate partner's share of the excess of ITC	799		
Total recapture of child care spaces investment tax credit (total of line 792, amount A7, and line 799) Enter at amount B8 in Part 29.			B7

Summary of Investment Tax Credits

Part 29 – Total recapture of investment tax credit

Recaptured SR&ED ITC (amount F3 in Part 17)		A8
Recaptured child care spaces ITC (amount B7 in Part 28)		B8
Total recapture of investment tax credit (amount A8 **plus** amount B8) Enter on line 602 of the T2 return.		C8

Part 30 – Total ITC deducted from Part I tax

ITC from investments in qualified property deducted from Part I tax (line 260 in Part 5)		D8
ITC from SR&ED expenditures deducted from Part I tax (line 560 in Part 12)	56,393	E8
ITC from pre-production mining expenditures deducted from Part I tax (line 885 in Part 19)		F8
ITC from apprenticeship job creation expenditures deducted from Part I tax (line 660 in Part 22)		G8
ITC from child care space expenditures deducted from Part I tax (line 785 in Part 26)		H8
Total ITC deducted from Part I tax (total of amounts D8 to H8) Enter on line 652 of the T2 return.	56,393	I8

Summary of Investment Tax Credit Carryovers

Continuity of investment tax credit carryovers

CCA class number 99 Cur. or cap. R&D for ITC

Current year

	Addition current year (A)	Applied current year (B)	Claimed as a refund (C)	Carried back (D)	ITC end of year (A-B-C-D)
	19,235	19,235			

Prior years

Taxation year	ITC beginning of year (E)	Adjustments (F)	Applied current year (G)	ITC end of year (E-F-G)
2018-12-31	37,158		37,158	
2017-12-31				
2016-12-31				
2015-12-31				
2014-12-31				
2013-12-31				
2012-12-31				
2011-12-31				
2010-12-31				
2009-12-31				*
2008-12-31				
2007-12-31				
2006-12-31				
2005-12-31				
2004-12-31				
2003-12-31				
2002-12-31				
2001-12-31				
				*
Total	37,158		37,158	

B+C+D+G	**Total ITC utilized**	56,393

* The **ITC end of year** includes the amount of ITC expired from the 10th preceding year if it is before January 1, 1998, or the amount of ITC expired from the 20th preceding year if it is after December 31, 1997. Note that this credit expires at the end of the tax year and any expired credit will be posted to line 215, 515, 615, 770 or 845, as applicable, in Schedule 31 the following year.

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Schedule 33

Taxable Capital Employed in Canada – Large Corporations

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2019-12-31

- Use this schedule in determining if the total taxable capital employed in Canada of the corporation (other than a financial institution or an insurance corporation) and its related corporations is greater than $10,000,000.
- If the total taxable capital employed in Canada of the corporation and its related corporations is greater than $10,000,000, file a completed Schedule 33 with your T2 *Corporation Income Tax Return* no later than six months from the end of the tax year.
- Unless otherwise noted, all legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 181(1) defines the terms **financial institution**, **long-term debt**, and **reserves**.
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part I.3 for its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or for a partnership in which it has an interest.
- If the corporation was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 4, **Taxable capital employed in Canada**.

Part 1 – Capital

Add the following year-end amounts:

Reserves that have not been deducted in calculating income for the year under Part I	101	100,336	
Capital stock (or members' contributions if incorporated without share capital)	103	10,852,000	
Retained earnings	104	12,673,000	
Contributed surplus	105	1,600,000	
Any other surpluses	106		
Deferred unrealized foreign exchange gains	107		
All loans and advances to the corporation	108	491,000	
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109		
Any dividends declared but not paid by the corporation before the end of the year	110		
All other indebtedness of the corporation (other than any indebtedness for a lease) that has been outstanding for more than 365 days before the end of the year	111		
The total of all amounts, each of which is the amount, if any, in respect of a partnership in which the corporation held a membership interest at the end of the year, either directly or indirectly through another partnership (see note below)	112		
Subtotal (**add** lines 101 to 112)		25,716,336 ►	25,716,336 A

Note:

Line 112 is determined by the formula (A – B) x C/D (as per paragraph 181.2(3)(g)) where:

A is the total of all amounts that would be determined for lines 101, 107, 108, 109, and 111 in respect of the partnership for its last fiscal period that ends at or before the end of the year if
  a) those lines applied to partnerships in the same manner that they apply to corporations, and
  b) those amounts were computed without reference to amounts owing by the partnership
    (i) to any corporation that held a membership interest in the partnership either directly or indirectly through another partnership, or
    (ii) to any partnership in which a corporation described in subparagraph (i) held a membership interest either directly or indirectly through another partnership.

B is the partnership's deferred unrealized foreign exchange losses at the end of the period,

C is the share of the partnership's income or loss for the period to which the corporation is entitled either directly or indirectly through another partnership, and

D is the partnership's income or loss for the period.

Part 1 – Capital (continued)

Subtotal A (from page 1)			25,716,336	A
Deduct the following amounts:				
Deferred tax debit balance at the end of the year	121			
Any deficit deducted in calculating its shareholders' equity (including, for this purpose, the amount of any provision for the redemption of preferred shares) at the end of the year	122			
To the extent that the amount may reasonably be regarded as being included in any of lines 101 to 112 above for the year, any amount deducted under subsection 135(1) in calculating income under Part I for the year.	123			
Deferred unrealized foreign exchange losses at the end of the year	124			
Subtotal (**add** lines 121 to 124)		►		B
Capital for the year (amount A **minus** amount B) (if negative, enter "0")	190		25,716,336	

Part 2 – Investment allowance

Add the carrying value at the end of the year of the following assets of the corporation:

A share of another corporation	401	
A loan or advance to another corporation (other than a financial institution)	402	3,622,000
A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution)	403	
Long-term debt of a financial institution	404	
A dividend payable on a share of the capital stock of another corporation	405	
A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim or similar obligation of, a partnership each member of which was, throughout the year, another corporation (other than a financial institution) that was not exempt from tax under this Part (otherwise than because of paragraph 181.1(3)(d)), or another partnership described in paragraph 181.2(4)(d.1)	406	
An interest in a partnership (see note 2 below)	407	
Investment allowance for the year (add lines 401 to 407)	490	3,622,000

Notes:

1. Lines 401 to 405 should not include the carrying value of a share of the capital stock of, a dividend payable by, or indebtedness of a corporation that is exempt from tax under Part I.3 (other than a non-resident corporation that at no time in the year carried on business in Canada through a permanent establishment).
2. Where the corporation has an interest in a partnership held either directly or indirectly through another partnership, refer to subsection 181.2(5) for additional rules regarding the carrying value of an interest in a partnership.
3. Where a trust is used as a conduit for loaning money from a corporation to another related corporation (other than a financial institution), the loan will be considered to have been made directly from the lending corporation to the borrowing corporation. Refer to subsection 181.2(6) for special rules that may apply.

Part 3 – Taxable capital

Capital for the year (line 190)		25,716,336	C
Deduct: Investment allowance for the year (line 490)		3,622,000	D
Taxable capital for the year (amount C **minus** amount D) (if negative, enter "0")	500	22,094,336	

Part 4 – Taxable capital employed in Canada

To be completed by a corporation that was resident in Canada at any time in the year

Taxable capital for the year (line 500) 22,094,336 x (Taxable income earned in Canada **610** 847,979 / Taxable income 847,979) = **Taxable capital employed in Canada** **690** 22,094,336

Notes:
1. Regulation 8601 gives details on calculating the amount of taxable income earned in Canada.
2. Where a corporation's taxable income for a tax year is "0," it shall, for the purposes of the above calculation, be deemed to have a taxable income for that year of $1,000.
3. In the case of an airline corporation, Regulation 8601 should be considered when completing the above calculation.

To be completed by a corporation that was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada

Total of all amounts each of which is the carrying value at the end of the year of an asset of the corporation used in the year or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada . . . . **701** ______

Deduct the following amounts:

Corporation's indebtedness at the end of the year [other than indebtedness described in any of paragraphs 181.2(3)(c) to (f)] that may reasonably be regarded as relating to a business it carried on during the year through a permanent establishment in Canada . . . . **711** ______

Total of all amounts each of which is the carrying value at the end of year of an asset described in subsection 181.2(4) of the corporation that it used in the year, or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada . . . . **712** ______

Total of all amounts each of which is the carrying value at the end of year of an asset of the corporation that is a ship or aircraft the corporation operated in international traffic, or personal or movable property used or held by the corporation in carrying on any business during the year through a permanent establishment in Canada (see note below) . . . . **713** ______

Total deductions (**add** lines 711, 712, and 713) ______ ► ______ E

Taxable capital employed in Canada (line 701 **minus** amount E) (if negative, enter "0") . . . . **790** ______

Note: Complete line 713 only if the country in which the corporation is resident did not impose a capital tax for the year on similar assets, or a tax for the year on the income from the operation of a ship or aircraft in international traffic, of any corporation resident in Canada during the year.

Part 5 – Calculation for purposes of the small business deduction

This part is applicable to corporations that are not associated in the current year, but were associated in the prior year.

Taxable capital employed in Canada (amount from line 690) . . . . ______ F

Deduct: . . . . 10,000,000 G

Excess (amount F **minus** amount G) (if negative, enter "0") ______ H

Calculation for purposes of the small business deduction (amount H x 0.225%) . . . . ______ I

Enter this amount at line 415 of the T2 return.

Attached Schedule with Total

Part 1 – All loans and advances to the corporation

Title Part 1 – All loans and advances to the corporation

Explanatory note

Per note 19 of the 2019 FS (w/p FS.1)

Description	Operator (Note)	Amount
Town of Innisfil - receivable		183,000 00
InnServices Utilities Inc. - receivable	+	
Innterprises Inc. - receivable	+	308,000 00
	+	
	Total	491,000 00

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula 1+2*3 will not result in the same thing as the formula 1+3*2.

Attached Schedule with Total

Part 2 – A loan or advance to another corporation (other than a financial institution)

Title Part 2 – A loan or advance to another corporation (other than a financial in

Explanatory note

Per note 19 of the 2019 FS (w/p FS.1)

Description	Operator (Note)	Amount
InnServices Utilities Inc. - payable		3,282,000 00
Innterprises Inc. - payable	+	
InnServices Utilities Inc. - receivable (negative balance)	+	340,000 00
	+	
	Total	3,622,000 00

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula 1+2*3 will not result in the same thing as the formula 1+3*2.

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Schedule 50

Shareholder Information

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2019-12-31

- All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.
- Provide only one number per shareholder (business number, social insurance number or trust number).

	Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust) 100	Business number (If a corporation is not registered, enter "NR") 200	Social insurance number 300	Trust number 350	Percentage common shares 400	Percentage preferred shares 500
1	Town of Innisfil	12194 7188 RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

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Schedule 53

General Rate Income Pool (GRIP) Calculation

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2019-12-31

On: 2019-12-31

- If you are a Canadian-controlled private corporation (CCPC) or a deposit insurance corporation (DIC), use this schedule to determine the general rate income pool (GRIP).
- Credit unions are **not** required to complete this schedule.
- All legislative references are to the Income Tax Act and the Income Tax Regulations.
- When an eligible dividend was paid in the tax year or there was a change in the GRIP balance, file a completed copy of this schedule with your T2 Corporation Income Tax Return. Do not send your worksheets with your return, but keep them in your records in case we ask to see them later.
- Subsection 89(1) defines the terms **eligible dividend**, **excessive eligible dividend designation**, **general rate income pool**, and **low rate income pool**.

Eligibility for the various additions

Answer the following questions to determine the corporation's eligibility for the various additions:

2006 addition

1. Is this the corporation's first taxation year that includes January 1, 2006? . . . ☐ Yes ☒ No
2. If not, what is the date of the taxation year end of the corporation's first year that includes January 1, 2006? Enter the date and go directly to question 4 . . . 2006-12-31
3. During that first year, was the corporation a CCPC or would it have been a CCPC if not for the election of subsection 89(11) ITA? . . . ☐ Yes ☐ No
   If the answer to question 3 is yes, complete Part "GRIP addition for 2006".

Change in the type of corporation

4. Was the corporation a CCPC during its preceding taxation year? . . . ☒ Yes ☐ No
5. Corporations that become a CCPC or a DIC . . . ☐ Yes ☒ No
   If the answer to question 5 is yes, complete Part 4.

Amalgamation (first year of filing after amalgamation)

6. Corporations that were formed as a result of an amalgamation . . . ☐ Yes ☒ No
   If the answer to question 6 is yes, answer questions 7 and 8. If the answer is no, go to question 9.
7. Was one or more of the predecessor corporations neither a CCPC nor a DIC? . . . ☐ Yes ☐ No
   If the answer to question 7 is yes, complete Part 4.
8. Was one or more of the predecessor corporation a CCPC or a DIC during the taxation year that ended immediately before amalgamation? . . . ☐ Yes ☐ No
   If the answer to question 8 is yes, complete Part 3.

Winding-up

9. Has the corporation wound-up a subsidiary in the preceding taxation year? . . . ☐ Yes ☒ No
   If the answer to question 9 is yes, answer questions 10 and 11. If the answer is no, go to Part 1.
10. Was the subsidiary neither a CCPC nor a DIC during its last taxation year? . . . ☐ Yes ☐ No
    If the answer to question 10 is yes, complete Part 4.
11. Was the subsidiary a CCPC or a DIC during its last taxation year? . . . ☐ Yes ☐ No
    If the answer to question 11 is yes, complete Part 3.

Part 1 – General rate income pool (GRIP)

GRIP at the end of the previous tax year **100**		21,418
Taxable income for the year (DICs enter "0") * **110**	847,979	
Amount on line 400, 405, 410, and 427 or 428** of the T2 return, whichever is the least * **130**		
For a CCPC, the lesser of aggregate investment income (line 440 of the T2 return) and taxable income * **140**		
Subtotal (line 130 **plus** line 140) ►	A	
Income taxable at the general corporate rate (line 110 **minus** amount A) (if negative enter "0") **150**	847,979	
After-tax income (line 150 **multiplied** by 0.72 (the general rate factor for the tax year)) **190**		610,545
Eligible dividends received in the tax year **200**		
Dividends deductible under section 113 received in the tax year **210**		
Subtotal (line 200 **plus** line 210) ►		B
Becoming a CCPC (amount W5 in Part 4) **220**		
Post-amalgamation (total of amounts E4 in Part 3 and amounts W5 in Part 4) **230**		
Post-wind-up (total of amounts E4 in Part 3 and amounts W5 in Part 4) **240**		
Subtotal (**add** lines 220, 230, and 240) **290** ►		
Subtotal (**add** lines 100, 190, 290, and amount B)		631,963 C
Eligible dividends paid in the previous tax year **300**		
Excessive eligible dividend designations made in the previous tax year **310**		
(If becoming a CCPC (subsection 89(4) applies), enter "0" on lines 300 and 310.)		
Subtotal (line 300 **minus** line 310) ►		D
GRIP before adjustment for specified future tax consequences (amount C **minus** amount D) (amount can be negative) **490**		631,963
Total GRIP adjustment for specified future tax consequences to previous tax years (amount L3 in Part 2) **560**		
GRIP at the end of the tax year (line 490 **minus** line 560) **590**		631,963

Enter this amount on line 160 of Schedule 55.

* For lines 110, 130, and 140, the income amount is the amount before considering specified future tax consequences. This phrase is defined in subsection 248(1). It includes the deduction of a loss carryback from subsequent tax years, a reduction of Canadian exploration expenses and Canadian development expenses that were renounced in subsequent tax years (e.g., flow-through share renunciations), reversals of income inclusions where an option is exercised in subsequent tax years, and the effect of certain foreign tax credit adjustments.

** If your tax year starts before 2019, use line 427. If your tax year starts after 2018, use line 428.

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years

Complete this part if the corporation's taxable income of any of the previous three tax years took into account the specified future tax consequences defined in subsection 248(1) from the current tax year. Otherwise, enter "0" on line 560.

First previous tax year 2018-12-31

Taxable income before specified future tax consequences from the current tax year 29,747 A1

Enter the following amounts before specified future tax consequences from the current tax year:

Amount on line 400, 405, 410, and 427 or 428** of the T2 return, whichever is the least . . . . ______ B1

Aggregate investment income (line 440 of the T2 return) . . . . ______ C1

Subtotal (amount B1 **plus** amount C1) ______ ► ______ D1

Subtotal (amount A1 **minus** amount D1) (if negative, enter "0") 29,747 ► 29,747 E1

Future tax consequences that occur for the current year Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	**Capital loss carry-back**	**Restricted farm loss carry-back**	**Farm loss carry-back**	**Other**	**Total carrybacks**

Taxable income after specified future tax consequences . . . . ______ F1

Enter the following amounts after specified future tax consequences:

Amount on line 400, 405, 410, and 427 or 428** of the T2 return, whichever is the least . . . . ______ G1

Aggregate investment income (line 440 of the T2 return) . . . . ______ H1

Subtotal (amount G1 **plus** amount H1) ______ ► ______ I1

Subtotal (amount F1 **minus** amount I1) (if negative, enter "0") ______ ► ______ J1

Subtotal (amount E1 **minus** amount J1) (if negative, enter "0") ______ K1

GRIP adjustment for specified future tax consequences to the first previous tax year

(amount K1 **multiplied** by 0.72) . . . . **500** ______

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years (continued)

Second previous tax year 2017-12-31

Taxable income before specified future tax consequences from the current tax year . . . . ______ A2

Enter the following amounts before specified future tax consequences from the current tax year:

Amount on line 400, 405, 410, and 427 or 428** of the T2 return, whichever is the least . . . . ______ B2

Aggregate investment income (line 440 of the T2 return) . . . . ______ C2

Subtotal (amount B2 **plus** amount C2) ______ ► ______ D2

Subtotal (amount A2 **minus** amount D2) (if negative, enter "0") ______ ► ______ E2

Future tax consequences that occur for the current year Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	**Capital loss carry-back**	**Restricted farm loss carry-back**	**Farm loss carry-back**	**Other**	**Total carrybacks**

Taxable income after specified future tax consequences . . . . ______ F2

Enter the following amounts after specified future tax consequences:

Amount on line 400, 405, 410, and 427 or 428** of the T2 return, whichever is the least . . . . ______ G2

Aggregate investment income (line 440 of the T2 return) . . . . ______ H2

Subtotal (amount G2 **plus** amount H2) ______ ► ______ I2

Subtotal (amount F2 **minus** amount I2) (if negative, enter "0") ______ ► ______ J2

Subtotal (amount E2 **minus** amount J2) (if negative, enter "0") ______ K2

GRIP adjustment for specified future tax consequences to the second previous tax year
(amount K2 **multiplied** by 0.72) . . . . **520** ______

** If your tax year starts before 2019, use line 427. If your tax year starts after 2018, use line 428.

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years (continued)

Third previous tax year 2016-12-31

Taxable income before specified future tax consequences from the current tax year . . . . ____________ A3

Enter the following amounts before specified future tax consequences from the current tax year:

Amount on line 400, 405, 410, and 427 or 428** of the T2 return, whichever is the least . . . . ____________ B3

Aggregate investment income (line 440 of the T2 return) . . . . ____________ C3

Subtotal (amount B3 **plus** amount C3) ____________ ► ____________ D3

Subtotal (amount A3 **minus** amount D3) (if negative, enter "0") ____________ ► ____________ E3

Future tax consequences that occur for the current year Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	**Capital loss carry-back**	**Restricted farm loss carry-back**	**Farm loss carry-back**	**Other**	**Total carrybacks**

Taxable income after specified future tax consequences . . . . ____________ F3

Enter the following amounts after specified future tax consequences:

Amount on line 400, 405, 410, and 427 or 428** of the T2 return, whichever is the least . . . . ____________ G3

Aggregate investment income (line 440 of the T2 return) . . . . ____________ H3

Subtotal (amount G3 **plus** amount H3) ____________ ► ____________ I3

Subtotal (amount F3 **minus** amount I3) (if negative, enter "0") ____________ ► ____________ J3

Subtotal (amount E3 **minus** amount J3) (if negative, enter "0") ____________ K3

GRIP adjustment for specified future tax consequences to the third previous tax year
(amount K3 **multiplied by** 0.72) . . . . **540** ____________

Total GRIP adjustment for specified future tax consequences to previous tax years:
(**add** lines 500, 520, and 540) (if negative, enter "0") . . . . ____________ L3

Enter amount L3 on line 560 in part 1.

** If your tax year starts before 2019, use line 427. If your tax year starts after 2018, use line 428.

Part 3 – Worksheet to calculate the GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was a CCPC or a DIC in its last tax year)

nb. 1 Post amalgamation . . . ☐ Post wind-up . . . . . . ☐

Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary corporation was a CCPC or a DIC in its last tax year. The last tax year for a predecessor corporation was its tax year that ended immediately before the amalgamation and for a subsidiary corporation was its tax year during which its assets were distributed to the parent on the wind-up.

Calculate the GRIP addition of a successor corporation following an amalgamation at the end of its first tax year.

Calculate the GRIP addition of a parent corporation upon wind-up at the end of the tax year that ends immediately after the tax year in which the parent has received the assets of the subsidiary.

In the calculation below, **corporation** means a predecessor or a subsidiary. Complete a separate worksheet for **each** predecessor and **each** subsidiary that was a CCPC or a DIC in its last tax year. Keep a copy of this calculation for your records, in case we ask to see it later.

Corporation's GRIP at the end of its last tax year . . .				A4
Eligible dividends paid by the corporation in its last tax year . . .		B4		
Excessive eligible dividend designations made by the corporation in its last tax year . . .		C4		
Subtotal (amount B4 **minus** amount C4)			►	D4
GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was a CCPC or a DIC in its last tax year) (amount A4 **minus** amount D4) . . .				E4

After you complete this calculation for each predecessor and each subsidiary, calculate the total of all the E4 amounts. Enter this total amount on:

- line 230 for post-amalgamation; or
- line 240 for post-wind-up.

Part 4 – Worksheet to calculate the GRIP addition post-amalgamation, post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year), or the corporation is becoming a CCPC

nb. 1 Corporation becoming a CCPC . . . . . . ☐ Post amalgamation . . . . ☐ Post wind-up . . . . ☐

Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary was not a CCPC or a DIC in its last tax year.The last tax year for a predecessor corporation was its tax year that ended immediately before the amalgamation and for a subsidiary corporation was its tax year during which its assets were distributed to the parent on the wind-up.

Calculate the GRIP addition of a successor corporation following an amalgamation at the end of its first tax year.

Calculate the GRIP addition of a parent corporation upon wind-up at the end of the tax year that ends immediately after the tax year in which the parent has received the assets of the subsidiary.

In the calculation below, **corporation** means a predecessor or a subsidiary. Complete a separate worksheet for **each** predecessor and **each** subsidiary that was a CCPC or a DIC in its last year. Keep a copy of this calculation for your records, in case we ask to see it later.

Cost amount to the corporation of all property immediately before the end of its previous/last tax year . . . . _______ A5

The corporation's money on hand immediately before the end of its previous/last tax year . . . . _______ B5

Total of subsection 111(1) losses that would have been deductible in calculating the corporation's taxable income for the previous/last tax year if the corporation had had unlimited income from each business carried on and each property held and had realized an unlimited amount of capital gains for the previous/last tax year:

Non-capital losses . . . . _______ C5

Net capital losses . . . . _______ D5

Farm losses . . . . _______ E5

Restricted farm losses . . . . _______ F5

Limited partnership losses . . . . _______ G5

Subtotal (**add** amounts C5 to G5) _______ ► _______ H5

Total of all amounts deducted under subsection 111(1) in calculating the corporation's taxable income for the previous/last tax year:

Non-capital losses . . . . _______ I5

Net capital losses . . . . _______ J5

Farm losses . . . . _______ K5

Restricted farm losses . . . . _______ L5

Limited partnership losses . . . . _______ M5

Subtotal (**add** amounts I5 to M5) _______ ► _______ N5

Unused and unexpired losses at the end of the corporation's previous/last tax year (amount H5 **minus** amount N5) _______ ► _______ O5

Subtotal (**add** amounts A5, B5, and O5) _______ P5

All the corporation's debts and other obligations to pay that were outstanding immediately before the end of its previous/last tax year . . . . _______ Q5

Paid-up capital of all the corporation's issued and outstanding shares of capital stock immediately before the end of its previous/last tax year . . . . _______ R5

All the corporation's reserves deducted in its previous/last tax year . . . . _______ S5

The corporation's capital dividend account immediately before the end of its previous/last tax year . . . . _______ T5

The corporation's low rate income pool immediately before the end of its previous/last tax year . . . . _______ U5

Subtotal (**add** amounts Q5 to U5) _______ ► _______ V5

GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year), or the corporation is becoming a CCPC (amount P5 **minus** amount V5) (if negative, enter "0") . . . . _______ W5

After you complete this worksheet for each predecessor and each subsidiary, calculate the total of all the W5 amounts. Enter this total amount on:

- line 220 for a corporation becoming a CCPC;
- line 230 for post-amalgamation; or
- line 240 for post-wind-up.

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Schedule 500

Ontario Corporation Tax Calculation

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2019-12-31

- Use this schedule if your corporation had a permanent establishment, under section 400 of the federal Income Tax Regulations, in Ontario at any time in the tax year and had Ontario taxable income in the year.
- Legislative references are to the federal Income Tax Act and Income Tax Regulations.
- This schedule is a worksheet only and is not required to be filed with your T2 Corporation Income Tax Return.

Part 1 – Ontario basic income tax

Ontario taxable income Note 1	847,979	1A
Ontario basic rate of tax for the year	**11.5** %	1B
Ontario basic income tax (amount 1A **multiplied** by amount 1B) Note 2	97,518	1C

Note 1 If your corporation had a permanent establishment only in Ontario, enter the amount from line 360 or amount Z, whichever applies, from page 3 of the T2 return. Otherwise, enter the taxable income allocated to Ontario from column F in Part 1 of Schedule 5.

Note 2 If your corporation had a permanent establishment in more than one jurisdiction, or is claiming an Ontario tax credit in addition to Ontario basic income tax, or Ontario corporate minimum tax or Ontario special additional tax on life insurance corporations payable, enter amount 1C on line 270 of Schedule 5, Tax Calculation Supplementary – Corporations. Otherwise, enter it on line 760 of the T2 return.

Part 2 – Ontario small business deduction (OSBD)

Complete this part if your corporation claimed the federal small business deduction under subsection 125(1).

Line 400 of the T2 return	2,243,855	2A	
Line 405 of the T2 return		2B	
If your tax year starts before 2019, line 427 of the T2 return		2C	

If your tax year starts after 2018

Line 410 of the T2 return ______ 2D

Line 415 of the T2 return 433,813 2E

Amount 2D ______ x Amount 2E 433,813 / 11,250 = ______ 2F

Line 515 of the T2 return ______ 2G

Subtotal (amount 2D **minus** amount 2F **minus** amount 2G) ______ ► ______ 2H

Amount 2A, 2B, and 2C or 2H, whichever is least ______ ► ______ 2I

Ontario domestic factor (ODF): Taxable income for Ontario Note 3 / Taxable income for all provinces Note 4 = 847,979.00 / 847,979 = 1.00000 2J

Amount 2I **multiplied** by amount 2J		2K		
Ontario taxable income (amount 1A)	847,979	2L		
Ontario small business income (amount 2K or 2L, whichever is least)		►		2M

Part 2 – Ontario small business deduction (OSBD) (continued)

Ontario small business deduction rate for the year

Number of days in the tax year before January 1, 2018 / Number of days in the tax year	/ 365	x	7 %	=	%	2N.1
Number of days in the tax year after December 31, 2017 and before January 1, 2020 / Number of days in the tax year	365 / 365	x	8 %	=	8.00000 %	2N.2
Number of days in the tax year after December 31, 2019 / Number of days in the tax year	/ 365	x	8.3 %	=	%	2N.3

OSBD rate for the year (rate 2N.1 **plus** rate 2N.2 **plus** rate 2N.3) . . . . . 8.00000 % ► 8.00000 % 2N.4

Ontario small business deduction (amount 2M **multiplied** by rate 2N.4) . . . . . ______ 2N

Enter amount 2N on line 402 of Schedule 5.

Note 3 Enter amount 1A.

Note 4 Includes the territories and the offshore jurisdictions for Nova Scotia and Newfoundland and Labrador.

Part 3 – Ontario adjusted small business income

Complete this part if your corporation was a Canadian-controlled private corporation throughout the tax year and is claiming the Ontario tax credit for manufacturing and processing or the Ontario credit union tax reduction.

Ontario adjusted small business income (amount 1A or 2I, whichever is least) . . . . . ______ 3A

Enter amount 3A at amount 4B in Part 4 of this schedule or at amount 2E in Part 2 of Schedule 502, Ontario Tax Credit for Manufacturing and Processing, whichever applies.

Part 4 – Credit union tax reduction

Complete this part and Schedule 17, Credit Union Deductions, if the corporation was a credit union throughout the tax year.

Amount 3C of Schedule 17 . . . . . ______ 4A

Ontario adjusted small business income (amount 3A) . . . . . ______ 4B

Subtotal (amount 4A **minus** amount 4B, if negative, enter "0") ______ 4C

Amount 4C **multiplied** by amount 2N.4 . . . . . ______ 4D

Ontario domestic factor (amount 2J) 1.00000 4E

Ontario credit union tax reduction (amount 4D **multiplied** by amount 4E) . . . . . ______ 4F

Enter amount 4F on line 410 of Schedule 5.

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Schedule 508

Ontario Research and Development Tax Credit

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2019-12-31

- Use this schedule to:
  - calculate an Ontario research and development tax credit (ORDTC);
  - claim an ORDTC earned in the tax year or carried forward from any of the 20 previous tax years that are a tax year ending after December 31, 2008, to reduce Ontario corporate income tax payable in the current tax year;
  - carry back an ORDTC earned in the tax year to reduce Ontario corporate income tax payable in any of the three previous tax years;
  - add an ORDTC that was allocated to the corporation by a partnership of which it was a member;
  - add an ORDTC transferred after an amalgamation or windup; or
  - calculate a recapture of the ORDTC.
- The ORDTC is a non-refundable tax credit on eligible expenditures incurred by a corporation in a tax year. The ORDTC rate is:
  - 4.5% for tax years that end before June 1, 2016;
  - 3.5% for tax years that start after May 31, 2016; and
  - prorated for a tax year that ends on or after June 1, 2016, and includes May 31, 2016.
- An eligible expenditure is an expenditure for a permanent establishment in Ontario of a corporation, that is a qualified expenditure for the purposes of section 127 of the federal *Income Tax Act* for scientific research and experimental development (SR&ED) carried on in Ontario.
- Only corporations that are not exempt from Ontario corporate income tax and none of whose income is exempt income can claim the ORDTC.
- Complete and attach this schedule to the *T2 Corporation Income Tax Return* for the tax year.
- To claim this credit, you must also send in completed copies of the Form T661, *Scientific Research and Experimental Development (SR&ED) Expenditures Claim*, and the Schedule 31, *Investment Tax Credit - Corporations*, within 18 months of the tax year end.

Part 1 – Ontario SR&ED expenditure pool

Total eligible expenditures incurred by the corporation in Ontario in the tax year	100	134,464	A			
Government assistance, non-government assistance, or a contract payment for eligible expenditures	105	1,577	B			
Net eligible expenditures for the tax year (amount A **minus** amount B) (if negative, enter "0")		132,887	C			
Eligible expenditures transferred to the corporation by another corporation	110		D			
Subtotal (amount C **plus** amount D)		132,887	▶		132,887	E
Eligible expenditures the corporation transferred to another corporation				115		F
Ontario SR&ED expenditure pool (amount E **minus** amount F) (if negative, enter "0")				120	132,887	G

Part 2 – Eligible repayments

The repayment of the ORDTC is calculated using the ORDTC rate that you used to determine your tax credit at the time your eligible expenditures were reduced because of the government or non-government assistance, or contract payments. Enter the amount of the repayment on the line that corresponds to the appropriate rate.

Repayments for tax years that end before June 1, 2016 . . . . **210** ________ x 4.5 % = **215** ________ H

Repayment for a tax year that ends on or after June 1, 2016 and includes May 31, 2016. Complete the proration calculation below.

Number of days in the tax year before June 1, 2016	240	152	x	4.5 %	=	1.8689 %	1
Number of days in the tax year	241	366					
Number of days in the tax year after May 31, 2016	242	214	x	3.5 %	=	2.0464 %	2
Number of days in the tax year	243	366					

Subtotal (percentage 1 **plus** percentage 2) 3.9153 % 3

Repayments for a tax year that ends on or after June 1, 2016 and includes May 31, 2016 . . . . . . **211** ________ x percentage 3 3.9153 % = **216** ________ I

Part 2 – Eligible repayments (continued)

Repayments for tax years that start after May 31, 2016	212				x 3.5 %	= 217		J
Repayments made in the tax year of government or non-government assistance or contract payments that reduced eligible expenditures for first term or second term shared-use equipment acquired before 2014	220		x 1 / 4	=	x 4.5 %	= 225		K
Eligible repayments (total of amounts H to K)						229		L

Part 3 – Calculation of the current part of the ORDTC

For tax years that end before June 1, 2016

Ontario SR&ED expenditure pool (amount G in Part 1)		x 4.5 %	= 200		M
ORDTC allocated to the corporation by a partnership of which it is a member (other than a specified member) for a fiscal period that ends in the corporation's tax year *			205		N
Eligible repayments (amount L in Part 2)					O
Current part of the ORDTC for tax years that end before June 1, 2016 (total of amounts M to O)			230		P

For a tax year that ends on or after June 1, 2016, and includes May 31, 2016

$\frac{\text{Number of days in the tax year before June 1, 2016}}{\text{Number of days in the tax year}}$ ______ x 4.5 % = ______ % 4

$\frac{\text{Number of days in the tax year after May 31, 2016}}{\text{Number of days in the tax year}}$ ______ x 3.5 % = ______ % 5

Subtotal (percentage 4 **plus** percentage 5) ______ % 6

Ontario SR&ED expenditure pool (amount G in Part 1)		x percentage 6 ______ %	= 201		Q
ORDTC allocated to the corporation by a partnership of which it is a member (other than a specified member) for a fiscal period that ends in the corporation's tax year *			206		R
Eligible repayments (amount L in Part 2)					S
Part of the ORDTC for a tax year that ends on or after June 1, 2016, and includes May 31, 2016 (total of amounts Q to S)			231		T

For tax years that start after May 31, 2016

Ontario SR&ED expenditure pool (amount G in Part 1)	132,887	x 3.5 %	= 202	4,651	U
ORDTC allocated to the corporation by a partnership of which it is a member (other than a specified member) for a fiscal period that ends in the corporation's tax year *			207		V
Eligible repayments (amount L in Part 2)					W
The ORDTC for tax years that start after May 31, 2016 (total of amounts U to W)			232	4,651	X

* If there is a disposal or change of use of eligible property, see Part 7 on page 4.

Part 4 – Calculation of ORDTC available for deduction and ORDTC balance

ORDTC balance at the end of the previous tax year			6,642 Y		
ORDTC expired after 20 tax years		300	Z		
ORDTC at the beginning of the tax year (amount Y **minus** amount Z)		305	6,642 AA		
ORDTC transferred to the corporation on amalgamation or windup		310	BB		
Current part of ORDTC (amount P, T or X in Part 3 whichever applies)	4,651 CC				

Are you waiving all or part of the current part of the ORDTC? 315 Yes 1 ☐ No 2 ☒

If you answered **yes** at line 315, enter the amount of the tax credit waived on line 320.

If you answered **no** at line 315, enter "0" on line 320.

Waiver of the current part of the ORDTC 320	DD				
Subtotal (amount CC **minus** amount DD)	4,651 ▶		4,651 EE		
ORDTC available for deduction (total of amounts AA, BB and EE)			11,293	▶	11,293 FF
ORDTC claimed ** (Enter amount GG on line 416 on page 5 of Schedule 5, *Tax Calculation Supplementary – Corporations*)			11,293 GG		
ORDTC carried back to previous tax years (from Part 5)			HH		
Subtotal (amount GG **plus** amount HH)			11,293	▶	11,293 II
ORDTC balance at the end of the tax year (amount FF **minus** amount II)				325	JJ

** This amount cannot be more than the lesser of the following amounts:
– ORDTC available for deduction (amount FF); or
– Ontario corporate income tax payable before the ORDTC and the Ontario corporate minimum tax credit (amount from line E6 on page 5 of Schedule 5).

Part 5 – Request for carryback of tax credit

	Year Month Day			
1st previous tax year	2018-12-31	Credit to be applied	901	
2nd previous tax year	2017-12-31	Credit to be applied	902	
3rd previous tax year	2016-12-31	Credit to be applied	903	

Total (total of amount 901 to 903)(enter at amount HH in Part 4)

Part 6 – Analysis of tax credit available for carryforward by tax year of origin

You can complete this part to show all the credits from previous tax years available for carryforward, by year of origin. This will help you determine the amount of credit that could expire in following years.

Tax year of origin (earliest tax year first) Year / Month / Day	Credit available
2001-12-31	
2002-12-31	
2003-12-31	
2004-12-31	
2005-12-31	
2006-12-31	
2007-12-31	
2008-12-31	

Tax year of origin (earliest tax year first) Year / Month / Day	Credit available
2009-12-31	
2010-12-31	
2011-12-31	
2012-12-31	
2013-12-31	
2014-12-31	
2015-12-31	
2016-12-31	
2017-12-31	
2018-12-31	
Current tax year 2019-12-31	

Total (equals line 325 in Part 4) ____________

The amount available from the 20th previous tax year will expire after this year. When you file your return for the next year, you will enter the expired amount on line 300 of Schedule 508 for that year.

Part 7 – Calculation of a recapture of ORDTC

You will have a recapture of ORDTC in a tax year when you meet **all** of the following conditions:

- you acquired a particular property in the current year or in any of the 20 previous tax years if the ORDTC was earned in a tax year ending after 2008;
- you claimed the cost of the property as an eligible expenditure for the ORDTC;
- the cost of the property was included in computing your ORDTC or was subject to an agreement made under subsection 127(13) of the federal Act to transfer qualified expenditures and section 42 of the *Taxation Act, 2007* (Ontario) applied; and
- you disposed of the property or converted it to commercial use in a tax year ending after December 31, 2008. You also meet this condition if you disposed of or converted to commercial use a property which incorporates the particular property previously referred to.

  Note: The recapture **does not apply** if you disposed of the property to a non-arm's length purchaser who intended to use it all or substantially all for SR&ED in Ontario. When the non-arm's length purchaser later sells or converts the property to commercial use, the recapture rules will apply to the purchaser based on the historical federal investment tax credit (ITC) rate *** of the original user in Calculation 1 below.

You have to report the recapture on Schedule 5 for the year in which you disposed of the property or converted it to commercial use. If the corporation is a member of a partnership, report its share of the recapture.

Complete the columns for each disposition for which a recapture applies, using the calculation formats below.

*** Federal ITC in calculations 1 and 2 should be determined without reference to paragraph (e) of the definition **investment tax credit** in subsection 127(9) of the federal Act.

Calculation 1 – Complete this part If you meet all of the above conditions

	KK Amount of federal ITC you originally calculated for the property you acquired, or the original user's federal ITC where you acquired the property from a non-arm's length party, as described in the note above 700	LL Amount calculated using the federal ITC rate at the date of acquisition (or the original user's date of acquisition) on either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value of the property (in any other case) 710	MM Amount from column 700 or 710, whichever is less
1.			

Total of column MM (enter at amount WW in Part 8) ____________ NN

Part 7 – Calculation of a recapture of ORDTC (continued)

Calculation 2 – If the corporation is deemed by subsection 42(1) of the *Taxation Act, 2007* (Ontario) to have transferred all or part of the eligible expenditure to another corporation as a consequence of an agreement described in subsection 127(13) of the federal Act complete Calculation 2. Otherwise, enter nil on line SS.

	OO Rate percentage that the transferee used to determine its federal ITC for qualified expenditure that was transferred under an agreement under subsection 127(13) of the federal Act 720	PP Proceeds of disposition of the property if you dispose of it to a person at arm's length; or, in any other case, the fair market value of the property at conversion or disposition 730	QQ Amount, if any, already provided for in Calculation 1 (this allows for the situation where only part of the cost of a property is transferred for an agreement under subsection 127(13) of the federal Act) 740
1.			

	RR Amount determined by the formula (OO x PP) - QQ (using the columns above)	SS Federal ITC earned by the transferee for the qualified expenditure that was transferred 750	TT Amount from column RR or SS, whichever is less
1.			

Total of column TT (enter at amount XX in Part 8) ______ UU

Calculation 3

As a member of a partnership, you will report your share of the ORDTC of the partnership after the ORDTC has been reduced by the amount of the recapture. If this is a positive amount, you will report it on line 205, 206, or 207 in Part 3, whichever applies. However, if the partnership does not have enough ORDTC otherwise available to offset the recapture, then the amount by which reductions to the ORDTC exceeds additions (the excess) will be determined and reported on line VV.

Corporate partner's share of the excess of ORDTC (enter at amount ZZ in Part 8) . . . . 760 ______ VV

Part 8 – Total recapture of ORDTC

Recaptured federal ITC for Calculation 1 (amount NN from Part 7) . . . . ______ WW

Recaptured federal ITC for Calculation 2 (amount UU from Part 7) . . . . ______ XX

Amount WW **plus** amount XX . . . . ______ x 23.56 % = ______ YY

Corporate partner's share of the excess of ORDTC for Calculation 3 (amount VV from Part 7) . . . . ______ ZZ

Recapture of ORDTC (amount YY **plus** amount ZZ) (enter amount AAA on line 277 on page 5 of Schedule 5) . . . . ______ AAA

Schedule A - Worksheet for eligible expenditures incurred by the corporation in Ontario for the current taxation year

This worksheet allows you to report the amount of eligible expenditures entered on Form T661, *Scientific Research and Experimental Development (SR&ED) Expenditures Claim* which represents eligible expenditures as defined in section 127 of the *Income Tax Act* (ITA) with regard to scientific research and experimental development (SR&ED) **carried on in Ontario and attributable to a permanent establishment in Ontario of a corporation**.

Data on the worksheet is calculated based on the amounts on Form T661, but will have to be adjusted according to the rules of Ontario, if applicable, in particular when the corporation has had a permanent establishment in more than one jurisdiction. This data will be used when calculating Schedule 508 and Schedule 566.

Enter the breakdown between current and capital expenditures

		Current Expenditures			Capital Expenditures	
Total expenditures for SR&ED		112,596				
Add						
• payment of prior years' unpaid expenses (other than salary or wages)	+					
• prescribed proxy amount (Enter "0" if you use the traditional method)	+	32,417				
• expenditures on shared-use equipment				+		
• other additions	+			+		
Subtotal	=	145,013		=		
Less						
• current expenditures (other than salary or wages) not paid within 180 days of the tax year end	–					
• amounts paid in respect of an SR&ED contract to a person or partnership that is not taxable supplier	–					
• 20% of contract expenditures for SR&ED performed on your behalf	–	10,549				
• prescribed expenditures not allowed by regulations	–			–		
• other deductions	–			–		
• non-arm's length transactions						
– expenditures for non-arm's length SR&ED contracts	–					
– purchases (limited to costs) of goods and services from non-arm's length suppliers	–			–		
Subtotal	=	134,464	I	=		II
Total eligible expenditures incurred by the corporation in Ontario in the tax year (add amount I and II)				=	134,464	III

Enter amount III on line 100 of Schedule 508.

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Schedule 510

Ontario Corporate Minimum Tax

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2019-12-31

- File this schedule if the corporation is subject to Ontario corporate minimum tax (CMT). CMT is levied under section 55 of the *Taxation Act, 2007* (Ontario), referred to as the "Ontario Act".
- Complete Part 1 to determine if the corporation is subject to CMT for the tax year.
- A corporation not subject to CMT in the tax year is still required to file this schedule if it is deducting a CMT credit, has a CMT credit carryforward, or has a CMT loss carryforward or a current year CMT loss.
- A corporation that has Ontario special additional tax on life insurance corporations (SAT) payable in the tax year must complete Part 4 of this schedule even if it is not subject to CMT for the tax year.
- A corporation is exempt from CMT if, throughout the tax year, it was one of the following:
  1) a corporation exempt from income tax under section 149 of the federal *Income Tax Act*;
  2) a mortgage investment corporation under subsection 130.1(6) of the federal Act;
  3) a deposit insurance corporation under subsection 137.1(5) of the federal Act;
  4) a congregation or business agency to which section 143 of the federal Act applies;
  5) an investment corporation as referred to in subsection 130(3) of the federal Act; or
  6) a mutual fund corporation under subsection 131(8) of the federal Act.
- File this schedule with the *T2 Corporation Income Tax Return*.

Part 1 – Determination of CMT applicability

Total assets of the corporation at the end of the tax year *	112	102,333,000
Share of total assets from partnership(s) and joint venture(s) *	114	
Total assets of associated corporations (amount from line 450 on Schedule 511)	116	324,407,851
Total assets (total of lines 112 to 116)		426,740,851
Total revenue of the corporation for the tax year **	142	44,947,000
Share of total revenue from partnership(s) and joint venture(s) **	144	
Total revenue of associated corporations (amount from line 550 on Schedule 511)	146	117,148,791
Total revenue (total of lines 142 to 146)		162,095,791

The corporation is subject to CMT if:
- for tax years ending before July 1, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are more than $5,000,000, or the total revenue for the year of the corporation or the associated group of corporations is more than $10,000,000.
- for tax years ending after June 30, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are equal to or more than $50,000,000, and the total revenue for the year of the corporation or the associated group of corporations is equal to or more than $100,000,000.

If the corporation is not subject to CMT, do not complete the remaining parts unless the corporation is deducting a CMT credit, or has a CMT credit carryforward, a CMT loss carryforward, a current year CMT loss, or SAT payable in the year.

* **Rules for total assets**
- Report total assets according to generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- Do not include unrealized gains and losses on assets and foreign currency gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.
- The amount on line 114 is determined at the end of the last fiscal period of the partnership or joint venture that ends in the tax year of the corporation. Add the proportionate share of the assets of the partnership(s) and joint venture(s), and deduct the recorded asset(s) for the investment in partnerships and joint ventures.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were $1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

** **Rules for total revenue**
- Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- If the tax year is less than 51 weeks, **multiply** the total revenue of the corporation or the partnership, whichever applies, by 365 and **divide** by the number of days in the tax year.
- The amount on line 144 is determined for the partnership or joint venture fiscal period that ends in the tax year of the corporation. If the partnership or joint venture has 2 or more fiscal periods ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were $1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

Part 2 – Adjusted net income/loss for CMT purposes

Net income/loss per financial statements *			210	2,707,000
Add (to the extent reflected in income/loss):				
Provision for current income taxes/cost of current income taxes	220			
Provision for deferred income taxes (debits)/cost of future income taxes	222	546,000		
Equity losses from corporations	224			
Financial statement loss from partnerships and joint ventures	226			
Dividends deducted on financial statements (subsection 57(2) of the Ontario Act), excluding dividends paid by credit unions under subsection 137(4.1) of the federal Act	230			
Other additions (see note below):				
Share of adjusted net income of partnerships and joint ventures **	228			
Total patronage dividends received, not already included in net income/loss	232			
281	282			
283	284			
Subtotal		546,000	▶	546,000 A
Deduct (to the extent reflected in income/loss):				
Provision for recovery of current income taxes/benefit of current income taxes	320	42,000		
Provision for deferred income taxes (credits)/benefit of future income taxes	322			
Equity income from corporations	324			
Financial statement income from partnerships and joint ventures	326			
Dividends deductible under section 112, section 113, or subsection 138(6) of the federal Act	330			
Dividends not taxable under section 83 of the federal Act (from Schedule 3)	332			
Gain on donation of listed security or ecological gift	340			
Accounting gain on transfer of property to a corporation under section 85 or 85.1 of the federal Act ***	342			
Accounting gain on transfer of property to/from a partnership under section 85 or 97 of the federal Act ****	344			
Accounting gain on disposition of property under subsection 13(4), subsection 14(6), or section 44 of the federal Act *****	346			
Accounting gain on a windup under subsection 88(1) of the federal Act or an amalgamation under section 87 of the federal Act	348			
Other deductions (see note below):				
Share of adjusted net loss of partnerships and joint ventures **	328			
Tax payable on dividends under subsection 191.1(1) of the federal Act **multiplied** by 3	334			
Interest deducted/deductible under paragraph 20(1)(c) or (d) of the federal Act, not already included in net income/loss	336			
Patronage dividends paid (from Schedule 16) not already included in net income/loss	338			
381 2019 Tax Movement in Reg Accounts	382	570,000		
383	384			
385	386			
387	388			
389	390			
Subtotal		612,000	▶	612,000 B
Adjusted net income/loss for CMT purposes (line 210 **plus** amount A **minus** amount B)			490	2,641,000

If the amount on line 490 is positive and the corporation is subject to CMT as determined in Part 1, enter the amount on line 515 in Part 3.

If the amount on line 490 is negative, enter the amount on line 760 in Part 7 (enter as a positive amount).

Note

In accordance with *Ontario Regulation 37/09*, when calculating net income for CMT purposes, accounting income should be adjusted to:

– exclude unrealized gains and losses due to mark-to-market changes or foreign currency changes on specified mark-to-market property (assets only);
– include realized gains and losses on the disposition of specified mark-to-market property not already included in the accounting income, if the property is not a capital property or is a capital property disposed in the year or in a previous tax year ended after March 22, 2007.

"Specified mark-to-market property" is defined in subsection 54(1) of the Ontario Act.

These rules also apply to partnerships. A corporate partner's share of a partnership's adjusted income flows through on a proportionate basis to the corporate partner.

* **Rules for net income/loss**

– Banks must report net income/loss as per the report accepted by the Superintendent of Financial Institutions under the federal *Bank Act*, adjusted so consolidation and equity methods are not used.

Part 2 – Calculation of adjusted net income/loss for CMT purposes (continued)

– Life insurance corporations must report net income/loss as per the report accepted by the federal Superintendent of Financial Institutions or equivalent provincial insurance regulator, before SAT and adjusted so consolidation and equity methods are not used. If the life insurance corporation is resident in Canada and carries on business in and outside of Canada, **multiply** the net income/loss by the ratio of the Canadian reserve liabilities **divided** by the total reserve liability. The reserve liabilities are calculated in accordance with Regulation 2405(3) of the federal Act.
– Other corporations must report net income/loss in accordance with generally accepted accounting principles, except that consolidation and equity methods must not be used. When the equity method has been used for accounting purposes, equity losses and equity income are removed from book income/loss on lines 224 and 324 respectively.
– Corporations, other than insurance corporations, should report net income from line 9999 of the GIFI (Schedule 125) on line 210.

** The share of the adjusted net income of a partnership or joint venture is calculated as if the partnership or joint venture were a corporation and the tax year of the partnership or joint venture were its fiscal period. For a corporation with an indirect interest in a partnership through one or more partnerships, determine the corporation's share according to clause 54(5)(c) of the Ontario Act.

*** A joint election will be considered made under subsection 60(1) of the Ontario Act if there is an entry on line 342, and an election has been made for transfer of property to a corporation under subsection 85(1) of the federal Act.

**** A joint election will be considered made under subsection 60(2) of the Ontario Act if there is an entry on line 344, and an election has been made under subsection 85(2) or 97(2) of the federal Act.

***** A joint election will be considered made under subsection 61(1) of the Ontario Act if there is an entry on line 346, and an election has been made under subsection 13(4) or 14(6) and/or section 44 of the federal Act.

For more information on how to complete this part, see the *T2 Corporation – Income Tax Guide*.

Part 3 – CMT payable

Adjusted net income for CMT purposes (line 490 in Part 2, if positive)	515	2,641,000	
Deduct:			
CMT loss available (amount R from Part 7)			
Minus: Adjustment for an acquisition of control *	518		
Adjusted CMT loss available			C
Net income subject to CMT calculation (if negative, enter "0")	520	2,641,000	

Amount from line 520: 2,641,000 x (Number of days in the tax year before July 1, 2010 / Number of days in the tax year: 365) x 4 % = ______ 1

Amount from line 520: 2,641,000 x (Number of days in the tax year after June 30, 2010: 365 / Number of days in the tax year: 365) x 2.7 % = 71,307 2

Subtotal (amount 1 **plus** amount 2) 71,307 3

Gross CMT: amount on line 3 above x OAF **	540	71,307	
Deduct:			
Foreign tax credit for CMT purposes ***	550		
CMT after foreign tax credit deduction (line 540 **minus** line 550) (if negative, enter "0")		71,307	D
Deduct:			
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)		86,225	
Net CMT payable (if negative, enter "0")			E

Enter amount E on line 278 of Schedule 5, *Tax Calculation Supplementary – Corporations*, and complete Part 4.

* Enter the portion of CMT loss available that exceeds the adjusted net income for the tax year from carrying on a business before the acquisition of control. See subsection 58(3) of the Ontario Act.

*** Enter "0" on line 550 for life insurance corporations as they are not eligible for this deduction. For all other corporations, enter the cumulative total of amount J for the province of Ontario from Part 9 of Schedule 21 on line 550.

** **Calculation of the Ontario allocation factor (OAF):**

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "Ontario," enter "1" on line F.

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "multiple," complete the following calculation, and enter the result on line F:

Ontario taxable income **** / Taxable income ***** = ______

Ontario allocation factor 1.00000 F

**** Enter the amount allocated to Ontario from column F in Part 1 of Schedule 5. If the taxable income is nil, calculate the amount in column F as if the taxable income were $1,000.

***** Enter the taxable income amount from line 360 or amount Z of the T2 return, whichever applies. If the taxable income is nil, enter "1,000".

Part 4 – Calculation of CMT credit carryforward

CMT credit carryforward at the end of the previous tax year *		71,442	G		
Deduct:					
CMT credit expired *	600				
CMT credit carryforward at the beginning of the current tax year * (see note below)		71,442	▶ 620	71,442	
Add:					
CMT credit carryforward balances transferred on an amalgamation or the windup of a subsidiary (see note below)			650		
CMT credit available for the tax year (amount on line 620 **plus** amount on line 650)				71,442	H
Deduct:					
CMT credit deducted in the current tax year (amount P from Part 5)				14,918	I
Subtotal (amount H **minus** amount I)				56,524	J
Add:					
Net CMT payable (amount E from Part 3)					
SAT payable (amount O from Part 6 of Schedule 512)					
Subtotal			▶		K
CMT credit carryforward at the end of the tax year (amount J **plus** amount K)			670	56,524	L

* For the first harmonized T2 return filed with a tax year that includes days in 2009:
- do not enter an amount on line G or line 600;
- for line 620, enter the amount from line 2336 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line G the amount from line 670 of Schedule 510 from the previous tax year.

Note: If you entered an amount on line 620 or line 650, complete Part 6.

Part 5 – Calculation of CMT credit deducted from Ontario corporate income tax payable

CMT credit available for the tax year (amount H from Part 4)				71,442	M
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)		86,225	1		
For a corporation that is not a life insurance corporation:					
CMT after foreign tax credit deduction (amount D from Part 3)	71,307	2			
For a life insurance corporation:					
Gross CMT (line 540 from Part 3)		3			
Gross SAT (line 460 from Part 6 of Schedule 512)		4			
The **greater** of amounts 3 and 4		5			
Deduct: line 2 or line 5, whichever applies:		71,307	6		
Subtotal (if negative, enter "0")		14,918	▶	14,918	N
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)		86,225			
Deduct:					
Total refundable tax credits excluding Ontario qualifying environmental trust tax credit (amount J6 **minus** line 450 from Schedule 5)		17,514			
Subtotal (if negative, enter "0")		68,711	▶	68,711	O
CMT credit deducted in the current tax year (least of amounts M, N, and O)				14,918	P

Enter amount P on line 418 of Schedule 5 and on line I in Part 4 of this schedule.

Is the corporation claiming a CMT credit earned before an acquisition of control? 675 1 Yes ☐ 2 No ☒

If you answered **yes** to the question at line 675, the CMT credit deducted in the current tax year may be restricted. For information on how the deduction may be restricted, see subsections 53(6) and (7) of the Ontario Act.

Part 6 – Analysis of CMT credit available for carryforward by year of origin

Complete this part if:

- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	CMT credit balance *
10th previous tax year	680
9th previous tax year	681
8th previous tax year	682
7th previous tax year	683
6th previous tax year	684
5th previous tax year	685
4th previous tax year	686
3rd previous tax year	687
2nd previous tax year	688
1st previous tax year	689
Total **	

* CMT credit that was earned (by the corporation, predecessors of the corporation, and subsidiaries wound up into the corporation) in each of the previous 10 tax years and has not been deducted.

** Must equal the total of the amounts entered on lines 620 and 650 in Part 4.

Part 7 – Calculation of CMT loss carryforward

CMT loss carryforward at the end of the previous tax year * . . . . ______ Q

Deduct:

CMT loss expired * . . . . **700** ______

CMT loss carryforward at the beginning of the tax year * (see note below) . . . . ______ ► **720** ______

Add:

CMT loss transferred on an amalgamation under section 87 of the federal Act ** (see note below) . . . . **750** ______

CMT loss available (line 720 **plus** line 750) . . . . ______ R

Deduct:

CMT loss deducted against adjusted net income for the tax year (lesser of line 490 (if positive) and line C in Part 3) . . . . ______

Subtotal (if negative, enter "0") ______ S

Add:

Adjusted net loss for CMT purposes (amount from line 490 in Part 2, if **negative**) (enter as a positive amount) . . . . **760** ______

CMT loss carryforward balance at the end of the tax year (amount S **plus** line 760) . . . . **770** ______ T

* For the first harmonized T2 return filed with a tax year that includes days in 2009:

- do not enter an amount on line Q or line 700;
- for line 720, enter the amount from line 2214 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line Q the amount from line 770 of Schedule 510 from the previous tax year.

** Do not include an amount from a predecessor corporation if it was controlled at any time before the amalgamation by any of the other predecessor corporations.

Note: If you entered an amount on line 720 or line 750, complete Part 8.

Part 8 – Analysis of CMT loss available for carryforward by year of origin

Complete this part if:

- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	Balance earned in a tax year ending before March 23, 2007 *	Balance earned in a tax year ending after March 22, 2007 **
10th previous tax year	810	820
9th previous tax year	811	821
8th previous tax year	812	822
7th previous tax year	813	823
6th previous tax year	814	824
5th previous tax year	815	825
4th previous tax year	816	826
3rd previous tax year	817	827
2nd previous tax year	818	828
1st previous tax year		829
Total ***		

* Adjusted net loss for CMT purposes that was earned (by the corporation, by subsidiaries wound up into or amalgamated with the corporation before March 22, 2007, and by other predecessors of the corporation) in each of the previous 10 tax years that ended before March 23, 2007, and has not been deducted.

** Adjusted net loss for CMT purposes that was earned (by the corporation and its predecessors, but not by a subsidiary predecessor) in each of the previous 20 tax years that ended after March 22, 2007, and has not been deducted.

*** The total of these two columns must equal the total of the amounts entered on lines 720 and 750.

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SCHEDULE 511

ONTARIO CORPORATE MINIMUM TAX – TOTAL ASSETS AND REVENUE FOR ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2019-12-31

- For use by corporations to report the total assets and total revenue of all the Canadian or foreign corporations with which the filing corporation was associated at any time during the tax year. These amounts are required to determine if the filing corporation is subject to corporate minimum tax.
- Total assets and total revenue include the associated corporation's share of any partnership(s)/joint venture(s) total assets and total revenue.
- Attach additional schedules if more space is required.
- File this schedule with the *T2 Corporation Income Tax Return.*

	Names of associated corporations 200	Business number (Canadian corporation only) (see Note 1) 300	Total assets* (see Note 2) 400	Total revenue** (see Note 2) 500
1	Innservices Utilities Inc.	81689 7326 RC0001	272,852,000	16,996,000
2	Town of Innisfil	NR	50,000,000	100,000,000
3	Innterprises Inc.	86556 4595 RC0001	1,555,851	152,791
		Total	450 324,407,851	550 117,148,791

Enter the total assets from line 450 on line 116 in Part 1 of Schedule 510, *Ontario Corporate Minimum Tax*.
Enter the total revenue from line 550 on line 146 in Part 1 of Schedule 510.

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

Note 2: If the associated corporation does not have a tax year that ends in the filing corporation's current tax year but was associated with the filing corporation in the previous tax year of the filing corporation, enter the total revenue and total assets from the tax year of the associated corporation that ends in the previous tax year of the filing corporation.

* **Rules for total assets**

- Report total assets in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- Include the associated corporation's share of the total assets of partnership(s) and joint venture(s) but exclude the recorded asset(s) for the investment in partnerships and joint ventures.
- Exclude unrealized gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.

** **Rules for total revenue**

- Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- If the associated corporation has 2 or more tax years ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of those tax years by 365 and **divide** by the total number of days in all of those tax years.
- If the associated corporation's tax year is less than 51 weeks and is the only tax year of the associated corporation that ends in the filing corporation's tax year, **multiply** the associated corporation's total revenue by 365 and **divide** by the number of days in the associated corporation's tax year.
- Include the associated corporation's share of the total revenue of partnerships and joint ventures.
- If the partnership or joint venture has 2 or more fiscal periods ending in the associated corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.

T2 SCH 511

Canada

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 546

CORPORATIONS INFORMATION ACT ANNUAL RETURN FOR ONTARIO CORPORATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2019-12-31

- This schedule should be completed by a corporation that is incorporated, continued, or amalgamated in Ontario and subject to the Ontario *Business Corporations Act* (BCA) or Ontario *Corporations Act* (CA), except for registered charities under the federal *Income Tax Act*. This completed schedule serves as a *Corporations Information Act* Annual Return under the *Ontario Corporations Information Act*.
- Complete parts 1 to 4. Complete parts 5 to 7 only to report change(s) in the information recorded on the Ontario Ministry of Government Services (MGS) public record.
- This schedule must set out the required information for the corporation as of the date of delivery of this schedule.
- A completed Ontario *Corporations Information Act* Annual Return must be delivered within six months after the end of the corporation's tax year-end. The MGS considers this return to be delivered on the date that it is filed with the Canada Revenue Agency (CRA) together with the corporation's income tax return.
- It is the corporation's responsibility to ensure that the information shown on the MGS public record is accurate and up-to-date. To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. Visit **www.ServiceOntario.ca** for more information.
- This schedule contains non-tax information collected under the authority of the Ontario *Corporations Information Act*. This information will be sent to the MGS for the purposes of recording the information on the public record maintained by the MGS.

Part 1 – Identification

100 Corporation's name (exactly as shown on the MGS public record)
InnPower Corporation

Jurisdiction incorporated, continued, or amalgamated, whichever is the most recent	**110** Date of incorporation or amalgamation, whichever is the most recent (Year Month Day)	**120** Ontario Corporation No.
Ontario	2000-10-05	7284940

Part 2 – Head or registered office address (P.O. box not acceptable as stand-alone address)

200 Care of (if applicable)

210 Street number	**220** Street name/Rural route/Lot and Concession number	**230** Suite number
2073	COMMERCE PARK DR	

240 Additional address information if applicable (line 220 must be completed first)

250 Municipality (e.g., city, town)	**260** Province/state	**270** Country	**280** Postal/zip code
INNISFIL	ON	CA	L9S 4A2

Part 3 – Change identifier

Have there been any changes in any of the information most recently filed for the public record maintained by the MGS for the corporation with respect to names, addresses for service, and the date elected/appointed and, if applicable, the date the election/appointment ceased of the directors and five most senior officers, or with respect to the corporation's mailing address or language of preference? To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. For more information, visit **www.ServiceOntario.ca**.

300 1 If there have been no changes, enter **1** in this box and then go to "Part 4 – Certification."
If there are changes, enter **2** in this box and complete the applicable parts on the next page, and then go to "Part 4 – Certification."

Part 4 – Certification

I certify that all information given in this *Corporations Information Act* Annual Return is true, correct, and complete.

450 McAllister (Last name) **451** Glen (First name)

454 ______________, (Middle name(s))

460 2 Please enter one of the following numbers in this box for the above-named person: **1** for director, **2** for officer, or **3** for other individual having knowledge of the affairs of the corporation. If you are a director and officer, enter **1** or **2**.

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

Complete the applicable parts to report changes in the information recorded on the MGS public record.

Part 5 – Mailing address

500 Please enter one of the following numbers in this box:

1 - Show no mailing address on the MGS public record.
2 - The corporation's mailing address is the same as the head or registered office address in Part 2 of this schedule.
3 - The corporation's complete mailing address is as follows:

510 Care of (if applicable)

520 Street number

530 Street name/Rural route/Lot and Concession number

540 Suite number

550 Additional address information if applicable (line 530 must be completed first)

560 Municipality (e.g., city, town)

570 Province/state

580 Country

590 Postal/zip code

Part 6 – Language of preference

600 Indicate your language of preference by entering **1** for English or **2** for French. This is the language of preference recorded on the MGS public record for communications with the corporation. It may be different from line 990 on the T2 return.

Canada Revenue Agency | Agence du revenu du Canada

SCHEDULE 550

ONTARIO CO-OPERATIVE EDUCATION TAX CREDIT

Name of corporation	Business Number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2019-12-31

- Use this schedule to claim an Ontario co-operative education tax credit (CETC) under section 88 of the *Taxation Act, 2007* (Ontario).
- The CETC is a refundable tax credit that is equal to an eligible percentage (10% to 30%) of the eligible expenditures incurred by a corporation for a qualifying work placement. The maximum credit amount is $1,000 for each qualifying work placement ending before March 27, 2009, and $3,000 for each qualifying work placement beginning after March 26, 2009. For a qualifying work placement that straddles March 26, 2009, the maximum credit amount is prorated.
- Eligible expenditures are salaries and wages (including taxable benefits) paid or payable to a student in a qualifying work placement, or fees paid or payable to an employment agency for services performed by the student in a qualifying work placement. These expenditures must be paid on account of employment or services, as applicable, at a permanent establishment of the corporation in Ontario. Expenditures for a work placement (WP) are not eligible expenditures if they are greater than the amounts that would be paid to an arm's length employee.
- A WP must meet all of the following conditions to be a qualifying work placement:
  - the student performs employment duties for a corporation under a qualifying co-operative education program (QCEP);
  - the WP has been developed or approved by an eligible educational institution as a suitable learning situation;
  - the terms of the WP require the student to engage in productive work;
  - the WP is for a period of at least 10 consecutive weeks or, in the case of an internship program, not less than 8 consecutive months and not more than 16 consecutive months;
  - the student is paid for the work performed in the WP;
  - the corporation is required to supervise and evaluate the job performance of the student in the WP;
  - the institution monitors the student's performance in the WP; and
  - the institution has certified the WP as a qualifying work placement.
- Make sure you keep a copy of the letter of certification from the Ontario eligible educational institution containing the name of the student, the employer, the institution, the term of the WP, and the name/discipline of the QCEP to support the claim. Do not submit the letter of certification with the *T2 Corporation Income Tax Return*.
- File this schedule with the *T2 Corporation Income Tax Return*.

Part 1 – Corporate information

110 Name of person to contact for more information	**120** Telephone number including area code
Lisa McCaskie	(705) 431-6870

Is the claim filed for a CETC earned through a partnership?* . . . . . **150** 1 Yes [ ] 2 No [X]

If you answered **yes** to the question at line 150, what is the name of the partnership? . . . . . **160** ______

Enter the percentage of the partnership's CETC allocated to the corporation . . . . . **170** ______ %

* When a corporate member of a partnership is claiming an amount for eligible expenditures incurred by a partnership, complete a Schedule 550 for the partnership as if the partnership were a corporation. Each corporate partner, other than a limited partner, should file a separate Schedule 550 to claim the partner's share of the partnership's CETC. The allocated amounts can not exceed the amount of the partnership's CETC.

Part 2 – Eligibility

1. Did the corporation have a permanent establishment in Ontario in the tax year? . . . . . **200** 1 Yes [X] 2 No [ ]
2. Was the corporation exempt from tax under Part III of the *Taxation Act*, 2007 (Ontario)? . . . . . **210** 1 Yes [ ] 2 No [X]

If you answered **no** to question 1 or **yes** to question 2, then the corporation is **not eligible** for the CETC.

Part 3 – Eligible percentage for determining the eligible amount

Corporation's salaries and wages paid in the previous tax year * **300** 10,000,000

For eligible expenditures incurred before March 27, 2009:

- If line 300 is $400,000 or less, enter 15% on line 310.
- If line 300 is $600,000 or more, enter 10% on line 310.
- If line 300 is more than $400,000 and less than $600,000, enter the percentage on line 310 using the following formula:

Eligible percentage = 15 % – [5 % x (amount on line 300 minus $ 400,000) / $ 200,000]

Eligible percentage for determining the eligible amount . . . . **310** 10.000 %

For eligible expenditures incurred after March 26, 2009:

- If line 300 is $400,000 or less, enter 30% on line 312.
- If line 300 is $600,000 or more, enter 25% on line 312.
- If line 300 is more than $400,000 and less than $600,000, enter the percentage on line 312 using the following formula:

Eligible percentage = 30 % – [5 % x (amount on line 300 minus $ 400,000) / $ 200,000]

Eligible percentage for determining the eligible amount . . . . **312** 25.000 %

* If this is the first tax year of an amalgamated corporation and subsection 88(9) of the *Taxation Act, 2007* (Ontario) applies, enter the salaries and wages paid in the previous tax year by the predecessor corporations.

Part 4 – Calculation of the Ontario co-operative education tax credit

Complete a separate entry for each student for each qualifying work placement that ended in the corporation's tax year. If a qualifying work placement would otherwise exceed four consecutive months, divide the WP into periods of four consecutive months and enter each full period of four consecutive months as a separate WP. If the WP does not divide equally into four-month periods and if the period that is less than 4 months is 10 or more consecutive weeks, then enter that period as a separate WP. If that period is less than 10 consecutive weeks, then include it with the WP for the last period of 4 consecutive months. Consecutive WPs with two or more associated corporations are deemed to be with only one corporation, as designated by the corporations.

	A Name of university, college, or other eligible educational institution **400**	B Name of qualifying co-operative education program **405**
1.	Georgian College	Computer System Tech/ Programmer Analyst
2.	Cambrian College	Powerline Technician
3.	Georgian College	Electrical Engineering Technology
4.	Georgian College	Electrical Engineering Technology
5.	Georgian College	Business Marketing
6.	Conestoga College	Powerline Technician
7.		

	C Name of student **410**	D Start date of WP (see note 1 below) **430**	E End date of WP (see note 2 below) **435**
1.	Chaz Crocker	2019-05-01	2019-08-30
2.	Brooke Harmer	2019-05-13	2019-08-28
3.	Aaron Nail	2019-01-03	2019-04-26
4.	Rajeethan Pakeerathan	2019-08-19	2019-12-18
5.	Caitlyn Paradzinski	2019-04-29	2019-08-30
6.	Matthew Toppazzini	2019-01-07	2019-05-10

	C Name of student 410	D Start date of WP (see note 1 below) 430	E End date of WP (see note 2 below) 435
7.			

Note 1: When the WP has been divided into separate periods because it exceeds four consecutive months, enter the start date for the separate WP.

Note 2: When the WP has been divided into separate periods because it exceeds four consecutive months, enter the end date for the separate WP.

Part 4 – Calculation of the Ontario co-operative education tax credit (continued)

	F1 Eligible expenditures before March 27, 2009 (see note 1 below) 450	Eligible percentage before March 27, 2009 (from line 310 in Part 3)	F2 Eligible expenditures after March 26, 2009 (see note 1 below) 452	Eligible percentage after March 26, 2009 (from line 310a in Part 3)	X Number of consecutive weeks of the WP completed by the student before March 27, 2009 (see note 3 below)	Y Total number of consecutive weeks of the student's WP (see note 3 below)
1.		10.000 %	12,672	25.000 %		17
2.		10.000 %	13,034	25.000 %		15
3.		10.000 %	10,379	25.000 %		16
4.		10.000 %	12,008	25.000 %		17
5.		10.000 %	11,676	25.000 %		18
6.		10.000 %	15,134	25.000 %		18
7.		10.000 %		25.000 %		

	G Eligible amount (eligible expenditures **multiplied** by eligible percentage) (see note 2 below) 460	H Maximum CETC per WP (see note 3 below) 462	I CETC on eligible expenditures (column G or H, whichever is less) 470	J CETC on repayment of government assistance (see note 4 below) 480	K CETC for each WP (column I or column J) 490
1.	3,168	3,000	3,000		3,000
2.	3,259	3,000	3,000		3,000
3.	2,595	3,000	2,595		2,595
4.	3,002	3,000	3,000		3,000
5.	2,919	3,000	2,919		2,919
6.	3,784	3,000	3,000		3,000
7.					

Ontario co-operative education tax credit (total of amounts in column K) 500 17,514 **L**

or, if the corporation answered **yes** at line 150 in Part 1, determine the partner's share of amount L:

Amount L ____________ x percentage on line 170 in Part 1 ______ % = ... **M**

Enter amount L or M, whichever applies, on line 452 of Schedule 5, *Tax Calculation Supplementary – Corporations*. If you are filing more than one Schedule 550, add the amounts from line L or M, whichever applies, on all the schedules and enter the total amount on line 452 of Schedule 5.

Note 1: Reduce eligible expenditures by all government assistance, as defined under subsection 88(21) of the *Taxation Act, 2007* (Ontario), that the corporation has received, is entitled to receive, or may reasonably expect to receive, for the eligible expenditures, on or before the filing due date of the *T2 Corporation Income Tax Return* for the tax year.

Note 2: Calculate the eligible amount (Column G) using the following formula:

Column G = (column F1 x percentage on line 310) + (column F2 x percentage on line 312)

Note 3: If the WP ends before March 27, 2009, the maximum credit amount for the WP is $1,000.
If the WP begins after March 26, 2009, the maximum credit amount for the WP is $3,000.
If the WP begins before March 27, 2009, and ends after March 26, 2009, calculate the maximum credit amount using the following formula:

($1,000 x X/Y) + [$3,000 x (Y – X)/Y]

where "X" is the number of consecutive weeks of the WP completed by the student before March 27, 2009, and "Y" is the total number of consecutive weeks of the student's WP.

Note 4: When claiming a CETC for repayment of government assistance, complete a **separate entry** for each repayment and complete columns A to E and J and K with the details for the previous year WP in which the government assistance was received. Include the amount of government assistance repaid in the tax year multiplied by the eligible percentage for the tax year in which the government assistance was received, to the extent that the government assistance reduced the CETC in that tax year.

Corporate Taxpayer Summary

Corporate information

Corporation's name: InnPower Corporation

Taxation Year: 2019-01-01 to 2019-12-31

Jurisdiction: Ontario

BC	AB	SK	MB	ON	QC	NB	NS	NO	PE	NL	XO	YT	NT	NU	OC
				X											

Corporation is associated: Y

Corporation is related: Y

Number of associated corporations: 3

Type of corporation: Canadian-Controlled Private Corporation

Total amount due (refund) federal and provincial*: 14,597

* The amounts displayed on lines "Total amount due (refund) federal and provincial" are all listed in the help. Press F1 to consult the context-sensative help.

Summary of federal information

Net income		850,855
Taxable income		847,979
Donations		2,876
Calculation of income from an active business carried on in Canada		2,243,855
Dividends paid		
Dividends paid – Regular		
Dividends paid – Eligible		
Balance of the low rate income pool at the end of the previous year		
Balance of the low rate income pool at the end of the year		
Balance of the general rate income pool at the end of the previous year		21,418
Balance of the general rate income pool at the end of the year		631,963
Part I tax (base amount)		322,232

Credits against part I tax		Summary of tax		Refunds/credits	
Small business deduction		Part I	70,804	ITC refund	
M&P deduction		Part IV		Dividends refund:	
Foreign tax credit		Part III.1		– Eligible dividends	
Investment tax credits	56,393	Other*		– Non-eligible dividends	
Abatement/Other*	195,035	Provincial or territorial tax	53,793	Instalments	110,000
				Other*	
				Balance due/refund (–)	14,597

* The amounts displayed on lines "Other" are all listed in the Help. Press F1 to consult the context-sensitive help.

Summary of federal carryforward/carryback information

Carryforward balances

Financial statement reserve: 100,083

Summary of provincial information – provincial income tax payable

	Ontario	Québec (CO-17)	Alberta (AT1)
Net income	850,855		
Taxable income	847,979		
% Allocation	100.00		
Attributed taxable income	847,979		
Tax payable before deduction*	97,518		
Deductions and credits	26,211		
Net tax payable	71,307		
Attributed taxable capital	N/A		N/A
Capital tax payable**	N/A		N/A
Total tax payable***	71,307		
Instalments and refundable credits	17,514		
Balance due/Refund (-)	53,793		

Logging tax payable (COZ-1179)

	Ontario	Québec (CO-17)	Alberta (AT1)
Tax payable	N/A		N/A

* For Québec, this includes special taxes.

** For Québec, this includes compensation tax and registration fee.

*** For Ontario, this includes the corporate minimum tax, the Crown royalties' additional tax, the transitional tax debit, the recaptured research and development tax credit and the special additional tax debit on life insurance corporations. The Balance due/Refund is included in the federal Balance due/refund.

Summary of provincial carryforward amounts

Other carryforward amounts

Ontario

Corporate minimum tax credit that can be carried forward over 20 years – Schedule 510 . . . 56,524

Summary – taxable capital

Federal

Corporate name	Taxable capital used to calculate the business limit reduction (T2, line 415)	Taxable capital used to calculate the SR&ED expenditure limit for a CCPC (Schedules 31 and 49)	Taxable capital used to calculate line 233 of the T2 return	Taxable capital used to calculate line 234 of the T2 return
InnPower Corporation	19,544,083	19,544,083	22,094,336	22,094,336
Innservices Utilities Inc.	182,708,032	182,708,032	187,892,000	187,892,000
Town of Innisfil				
Innterprises Inc.	553,661	553,661	802,084	802,084
Total	202,805,776	202,805,776	210,788,420	210,788,420

Québec

Corporate name	Paid-up capital used to calculate the Québec business limit reduction (CO-771) and to calculate the additional deduction for transportation costs of remote manufacturing SMEs (CO-156.TR)	Paid-up capital used to calculate the tax credit for investment (CO-1029.8.36.IN) and to determine the applicability of Form CO-1029.8.33.TE	Paid-up capital used to calculate the $1 million deduction (CO-1137.A and CO-1137.E)	Paid-up capital used to determine the applicability of Form CO-737.SI
Total				

Ontario

Corporate name	Specified capital used to calculate the expenditure limit – Ontario innovation tax credit (Schedule 566)
InnPower Corporation	19,570,083
Innservices Utilities Inc.	
Town of Innisfil	
Innterprises Inc.	
Total	19,570,083

Other provinces

Corporate name	Capital used to calculate the Newfoundland and Labrador capital deduction on financial institutions (Schedule 306)
Total	

Five-Year Comparative Summary

Federal information (T2)

	Current year	1st prior year	2nd prior year	3rd prior year	4th prior year
Taxation year end	**2019-12-31**	**2018-12-31**	**2017-12-31**	**2016-12-31**	**2015-12-31**
Net income	850,855	874,644	-1,317,808		
Taxable income	847,979	29,747			
Active business income	2,243,855	2,151,644			
Dividends paid					
Dividends paid – Regular					
Dividends paid – Eligible					
LRIP – end of the previous year					
LRIP – end of the year					
GRIP – end of the previous year	21,418				
GRIP – end of the year	631,963	21,418			
Donations	2,876	11,070			
Balance due/refund (-)	14,597	46,866			
Line 996 – Amended tax return	☐	☐	☐	☐	☐

Loss carrybacks requested in prior years to reduce taxable income

Taxation year end	**2019-12-31**	**2018-12-31**	**2017-12-31**	**2016-12-31**	**2015-12-31**
Taxable income before loss carrybacks	N/A	N/A			
Non-capital losses	N/A	N/A			793,053
Net capital losses (50%)	N/A	N/A			
Restricted farm losses	N/A	N/A			
Farm losses	N/A	N/A			
Listed personal property losses (50%)	N/A	N/A			
Total loss carried back to prior years	N/A	N/A			793,053
Adjusted taxable income after loss carrybacks	N/A	N/A			

Losses in the current year carried back to previous years to reduce taxable income (according to Schedule 4)

Taxation year end	**2019-12-31**	**2018-12-31**	**2017-12-31**	**2016-12-31**	**2015-12-31**
Adjusted taxable income before current year loss carrybacks*	N/A	29,747			N/A
Non-capital losses	N/A				N/A
Net capital losses (50%)	N/A				N/A
Restricted farm losses	N/A				N/A
Farm losses	N/A				N/A
Listed personal property losses (50%)	N/A				N/A
Total current year losses carried back to prior years	N/A				N/A
Adjusted taxable income after loss carrybacks	N/A	29,747			N/A

* The adjusted taxable income before current year loss carryback takes into account loss carrybacks that were made in prior taxation years.

Loss carrybacks requested in prior years to reduce taxable dividends subject to Part IV tax

Taxation year end	2019-12-31	2018-12-31	2017-12-31	2016-12-31	2015-12-31
Adjusted Part IV tax multiplied by the multiplication factor**, before loss carrybacks	N/A	N/A			
Non-capital losses	N/A	N/A			
Farm losses	N/A	N/A			
Total loss carried back to prior years	N/A	N/A			
Adjusted Part IV tax multiplied by the multiplication factor**, after loss carrybacks	N/A	N/A			

Losses in the current year carried back to previous years to reduce taxable dividends subject to Part IV tax (according to Schedule 4)

Taxation year end	2019-12-31	2018-12-31	2017-12-31	2016-12-31	2015-12-31
Adjusted Part IV tax multiplied by the multiplication factor**, before current-year loss carrybacks***	N/A				N/A
Non-capital losses	N/A				N/A
Farm losses	N/A				N/A
Total current year losses carried back to prior years	N/A				N/A
Adjusted Part IV tax multiplied by the multiplication factor**, after loss carrybacks	N/A				N/A

** The multiplication factor is 3 for dividends received before January 1, 2016, and 100 / 38 1/3 for dividends received after December 31, 2015.

*** The adjusted Part IV tax multiplied by the multiplication factor before current-year loss carrybacks takes into account loss carrybacks that were made in prior taxation years. This amount is multiplied by the multiplication factor to help you determine the loss amount that must be used to reduce Part IV tax payable to zero.

Federal taxes

Taxation year end	2019-12-31	2018-12-31	2017-12-31	2016-12-31	2015-12-31
Part I	70,804				
Part IV					
Part III.1					
Other*					

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensative help.

Credits against part I tax

Taxation year end	2019-12-31	2018-12-31	2017-12-31	2016-12-31	2015-12-31
Small business deduction					
M&P deduction					
Foreign tax credit					
Investment tax credit	56,393	4,462			
Abatement/other*	195,035	6,842			

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensative help.

Refunds/credits

Taxation year end	2019-12-31	2018-12-31	2017-12-31	2016-12-31	2015-12-31
ITC refund					
Dividend refund					
– Eligible dividends					
– Non-eligible dividends					
Instalments	110,000				
Other*					

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensative help.

Ontario

Taxation year end	2019-12-31	2018-12-31	2017-12-31	2016-12-31	2015-12-31
Net income	850,855	874,644	-1,317,808		
Taxable income	847,979	29,747			
% Allocation	100.00	100.00	100.00		
Attributed taxable income	847,979	29,747			
Surtax					
Income tax payable before deduction	97,518	3,421			
Income tax deductions /credits	26,211	3,421			
Net income tax payable	71,307				
Taxable capital					
Capital tax payable					
Total tax payable*	71,307	71,442			
Instalments and refundable credits	17,514	24,576			
Balance due/refund**	53,793	46,866			

* For taxation years ending before January 1, 2009, this includes the corporate minimum tax and the premium tax. For taxation years ending after December 31, 2008, this includes the corporate minimum tax, the Crown royalties' additional tax, the transitional tax debit, the recaptured research and development tax credit and the special additional tax debit on life insurance corporations.

** For taxation years ending after December 31, 2008, the Balance due/Refund is included in the federal Balance due/refund.

Appendix 6-2-1 (D) 2020 Tax Return

200

Canada Revenue Agency / Agence du revenu du Canada

T2 Corporation Income Tax Return

055 Do not use this area

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

All legislative references on this return are to the federal Income Tax Act and Income Tax Regulations. This return may contain changes that had not yet become law at the time of publication.

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

For more information see **canada.ca/taxes** or Guide T4012, T2 Corporation – Income Tax Guide.

Identification

Business number (BN) 001 89242 2817 RC0001

Corporation's name
002 InnPower Corporation

Address of head office
Has this address changed since the last time we notified? . . . . 010 Yes [ ] No [X]
If **yes**, complete lines 011 to 018.
011 7251 Yonge Street
012
City: 015 Innisfil
Province, territory, or state: 016 ON
Country (other than Canada): 017
Postal or ZIP code: 018 L9S 0J3

Mailing address (if different from head office address)
Has this address changed since the last time we were notified? . . . . 020 Yes [ ] No [X]
If **yes**, complete lines 021 to 028.
021 c/o
022 7251 Yonge Street
023
City: 025 Innisfil
Province, territory, or state: 026 ON
Country (other than Canada): 027
Postal or ZIP code: 028 L9S 0J3

Location of books and records (if different from head office address)
Has this address changed since the last time we were notified? . . . . 030 Yes [ ] No [X]
If **yes**, complete lines 031 to 038.
031 7251 Yonge Street
032
City: 035 Innisfil
Province, territory, or state: 036 ON
Country (other than Canada): 037
Postal or ZIP code: 038 L9S 0J3

040 **Type of corporation at the end of the tax year** (tick one)
- [X] 1 Canadian-controlled private corporation (CCPC)
- [ ] 2 Other private corporation
- [ ] 3 Public corporation
- [ ] 4 Corporation controlled by a public corporation
- [ ] 5 Other corporation (specify)

If the type of corporation changed during the tax year, provide the effective date of the change . . . . 043 Year Month Day

To which tax year does this return apply?
Tax year start: 060 Year Month Day 2020-01-01
Tax year-end: 061 Year Month Day 2020-12-31

Has there been an acquisition of control resulting in the application of subsection 249(4) since the tax year start on line 060? . . . . 063 Yes [ ] No [X]
If **yes**, provide the date control was acquired . . . . 065 Year Month Day

Is the date on line 061 a deemed tax year-end according to subsection 249(3.1)? . . . . 066 Yes [ ] No [X]

Is the corporation a professional corporation that is a member of a partnership? . . . . 067 Yes [ ] No [X]

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

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

Is this the final tax year before amalgamation? . . . . 076 Yes [ ] No [X]

Is this the final return up to dissolution? . . . . 078 Yes [ ] No [X]

If an election was made under section 261, state the functional currency used 079

Is the corporation a resident of Canada? 080 Yes [X] No [ ]
If **no**, give the country of residence on line 081 and complete and attach Schedule 97.
081

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

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

Do not use this area
095 096 898

Attachments

Financial statement information: Use GIFI schedules 100, 125, and 141.
Schedules – Answer the following questions. For each **yes** response, **attach** the schedule to the T2 return, unless otherwise instructed.

		Yes	Schedule
Is the corporation related to any other corporations?	150	X	9
Is the corporation an associated CCPC?	160	X	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	161		49
Does the corporation have any non-resident shareholders who own voting shares?	151		19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
If you answered **yes** to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
Is the corporation claiming a loss or deduction from a tax shelter?	166		T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	167		T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust (without reference to section 94)?	168		22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	169		25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the Income Tax Regulations?	170		29
Did the corporation have a total amount over CAN$1 million of reportable transactions with non-arm's length non-residents?	171		T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172		———
Does the corporation earn income from one or more Internet web pages or websites?	180		88
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
Has the corporation made any charitable donations; gifts of cultural or ecological property; or gifts of medicine?	202		2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203		3
Is the corporation claiming any type of losses?	204		4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205	X	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	206		6
i) Is the corporation a CCPC and reporting a) income or loss from property (other than dividends deductible on line 320 of the T2 return), b) income from a partnership, c) income from a foreign business, d) income from a personal services business, e) income referred to in clause 125(1)(a)(i)(C) or 125(1)(a)(i)(B), f) aggregate investment income as defined in subsection 129(4), or g) an amount assigned to it under subsection 125(3.2) or 125(8); or ii) Is the corporation a member of a partnership and assigning its specified partnership business limit to a designated member under subsection 125(8)?	207	X	7
Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
Does the corporation have any resource-related deductions?	212		12
Is the corporation claiming deductible reserves?	213		13
Is the corporation claiming a patronage dividend deduction?	216		16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or a provincial credit union tax reduction?	217		17
Is the corporation an investment corporation or a mutual fund corporation?	218		18
Is the corporation carrying on business in Canada as a non-resident corporation?	220		20
Is the corporation claiming any federal, provincial, or territorial foreign tax credits, or any federal logging tax credits?	221		21
Does the corporation have any Canadian manufacturing and processing profits?	227		27
Is the corporation claiming an investment tax credit?	231	X	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232	X	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over $10,000,000?	233	X	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over $10,000,000?	234	X	———
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
Is the corporation claiming a Part I tax credit?	242		42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
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		39
Is the corporation claiming a Canadian film or video production tax credit?	253		T1131
Is the corporation claiming a film or video production services tax credit?	254		T1177
Is the corporation claiming a Canadian journalism labour tax credit?	272		58
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	255		92

Attachments (continued)

		Yes	Schedule
Did the corporation have any foreign affiliates in the tax year?	271		T1134
Did the corporation own or hold specified foreign property where the total cost amount of all such property, at any time in the year, was more than CAN$100,000?	259		T1135
Did the corporation transfer or loan property to a non-resident trust?	260		T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261		T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262		T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263		T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264		T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	265		55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	266		T2002
Has the corporation revoked any previous election made under subsection 89(11)?	267		T2002
Did the corporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its general rate income pool (GRIP) change in the tax year?	268	X	53
Did the corporation (other than a CCPC or DIC) pay eligible dividends, or did its low rate income pool (LRIP) change in the tax year?	269		54

Additional information

		Yes	No
Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	X	
Is the corporation inactive?	280		X

What is the corporation's main revenue-generating business activity? ..... 221122 Electric Power Distribution

Specify the principal products mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

284	Electricity distributor	285	100.000 %
286		287	%
288		289	%

		Yes	No
Did the corporation immigrate to Canada during the tax year?	291		X
Did the corporation emigrate from Canada during the tax year?	292		X
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293		

If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible ..... 294 Year Month Day

If the corporation's major business activity is construction, did you have any subcontractors during the tax year? ..... 295 Yes ☐ No ☐

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI	300		1,097,820	A
Deduct:				
Charitable donations from Schedule 2	311			
Cultural gifts from Schedule 2	313			
Ecological gifts from Schedule 2	314			
Gifts of medicine made before March 22, 2017, from Schedule 2	315			
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320			
Part VI.1 tax deduction*	325			
Non-capital losses of previous tax years from Schedule 4	331			
Net capital losses of previous tax years from Schedule 4	332			
Restricted farm losses of previous tax years from Schedule 4	333			
Farm losses of previous tax years from Schedule 4	334			
Limited partnership losses of previous tax years from Schedule 4	335			
Taxable capital gains or taxable dividends allocated from a central credit union	340			
Prospector's and grubstaker's shares	350			
Employer deduction for non-qualified securities under an employee stock options agreement		a		
Subtotal		▶		B
Subtotal (amount A **minus** amount B) (if negative, enter "0")			1,097,820	C
Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355			D
Taxable income (amount C **plus** amount D)	360		1,097,820	
Taxable income for the year from a personal services business				Z.1

* This amount is equal to 3.5 times the Part VI.1 tax payable at line 724 on page 9.

Small business deduction

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

Income eligible for the small business deduction from Schedule 7	400	2,472,820	A
Taxable income from line 360 on page 3, **minus** 100/28 (3.57143) of the amount on line 632* on page 8, **minus** 4 times the amount on line 636** on page 8, and **minus** any amount that, because of federal law, is exempt from Part I tax	405	1,097,820	B
Business limit (see notes 1 and 2 below)	410		C

Notes:

1. For CCPCs that are not associated, enter $ 500,000 on line 410. However, if the corporation's tax year is less than 51 weeks, prorate this amount by the number of days in the tax year **divided** by 365, and enter the result on line 410.
2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

Business limit reduction

Taxable capital business limit reduction

Amount C ______ x 415 *** 451,774 D / 11,250 = ______ E

Passive income business limit reduction

Adjusted aggregate investment income from Schedule 7**** . 417 30,000 – 50,000 = ______ F

Amount C ______ x Amount F ______ / 100,000 = ______ G

The greater of amount E and amount G 422 ______ H

Reduced business limit (amount C **minus** amount H) (if negative, enter "0")	426		I
Business limit the CCPC assigns under subsection 125(3.2) (from line 515 below)			J
Reduced business limit after assignment (amount I **minus** amount J)	428		K
Small business deduction – Amount A, B, C, or K, whichever is the least ______ x 19 % =	430		

Enter amount from line 430 at amount J on page 8.

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

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

*** **Large corporations**

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

**** Enter the total adjusted aggregate investment income of the corporation and all associated corporations for each tax year that ended in the preceding calendar year. Each corporation with such income has to file a Schedule 7. For a corporation's first tax year that starts after 2018, this amount is reported at line 744 of the corresponding Schedule 7. Otherwise, this amount is the total of all amounts reported at line 745 of the corresponding Schedule 7 of the corporation for each tax year that ended in the preceding calendar year.

Specified corporate income and assignment under subsection 125(3.2)

	L1 Name of corporation receiving the income and assigned amount	L Business number of the corporation receiving the assigned amount 490	M Income paid under clause 125(1)(a)(i)(B) to the corporation identified in column L [3] 500	N Business limit assigned to corporation identified in column L [4] 505
1.				
			Total 510	Total 515

Notes:

3. This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts each of which is income (other than specified farming or fishing income of the corporation for the year) from an active business of the corporation for the year from the provision of services or property to a private corporation (directly or indirectly, in any manner whatever) if
(A) at any time in the year, the corporation (or one of its shareholders) or a person who does not deal at arm's length with the corporation (or one of its shareholders) holds a direct or indirect interest in the private corporation, and
(B) it is not the case that all or substantially all of the corporation's income for the year from an active business is from the provision of services or property to
(I) persons (other than the private corporation) with which the corporation deals at arm's length, or
(II) partnerships with which the corporation deals at arm's length, other than a partnership in which a person that does not deal at arm's length with the corporation holds a direct or indirect interest.
4. The amount of the business limit you assign to a CCPC cannot be greater than the amount determined by the formula A – B, where A is the amount of income referred to in column M in respect of that CCPC and B is the portion of the amount described in A that is deductible by you in respect of the amount of income referred to in clauses 125(1)(a)(i)(A) or (B) for the year. The amount on line 515 cannot be greater than the amount on line 426.

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the tax year

Taxable income from line 360 on page 3			1,097,820	A
Lesser of amounts 9B and 9H from Part 9 of Schedule 27		B		
Amount 13K from Part 13 of Schedule 27		C		
Personal services business income **432**		D		
Amount from line 400, 405, 410, or 428 on page 4, whichever is the least		E		
Aggregate investment income from line 440 on page 6*		F		
Subtotal (**add** amounts B to F)		►		G
Amount A **minus** amount G (if negative, enter "0")			1,097,820	H
General tax reduction for Canadian-controlled private corporations – Amount H **multiplied** by 13 %			142,717	I

Enter amount I on line 638 on page 8.

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

General tax reduction

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

Taxable income from line 360 on page 3				J
Lesser of amounts 9B and 9H from Part 9 of Schedule 27		K		
Amount 13K from Part 13 of Schedule 27		L		
Personal services business income **434**		M		
Subtotal (**add** amounts K to M)		►		N
Amount J **minus** amount N (if negative, enter "0")				O
General tax reduction – Amount O **multiplied** by 13 %				P

Enter amount P on line 639 on page 8.

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the tax year

Aggregate investment income from Schedule 7 . . . . **440** ________ x 30 2/3 % = ... ________ A

Foreign non-business income tax credit from line 632 on page 8 . . . . ________ B

Foreign investment income from Schedule 7 . . . . **445** ________ x 8 % = ________ C

Subtotal (amount B **minus** amount C) (if negative, enter "0") ________ ▶ ________ D

Amount A **minus** amount D (if negative, enter "0") . . . . ________ E

Taxable income from line 360 on page 3 . . . . 1,097,820 F

Amount from line 400, 405, 410, or 428 on page 4, whichever is the least . . . . ________ G

Foreign non-business income tax credit from line 632 on page 8 . . . . ________ x 75 / 29 = ________ H

Foreign business income tax credit from line 636 on page 8 . . ________ x 4 = ________ I

Subtotal (**add** amounts G to I) ________ ▶ ________ J

Subtotal (amount F **minus** amount J) 1,097,820 K x 30 2/3 % = 336,665 L

Part I tax payable minus investment tax credit refund (line 700 **minus** line 780 from page 9) . . . . 145,553 M

Refundable portion of Part I tax – Amount E, L, or M, whichever is the least . . . . **450** ________ N

Refundable dividend tax on hand

Description	Line	Amount
Refundable dividend tax on hand (RDTOH) at the end of the previous tax year	460	
Dividend refund for the previous tax year	465	
Net RDTOH transferred on an amalgamation or the wind-up of a subsidiary	480	
Subtotal (line 460 **minus** line 465 **plus** line 480)		A
General rate income pool (GRIP) at the end of the previous tax year (from line 100 of Schedule 53)		B
Total eligible dividends paid in the previous tax year (from line 300 of Schedule 53)		C
Total excessive eligible dividend designation in the previous tax year (from line 310 of Schedule 53)		D
Subtotal (amount C **minus** amount D) (if negative, enter "0")	▶	E
Net GRIP at the end of the previous tax year (amount B **minus** amount E) (if negative, enter "0")		F
GRIP transferred on an amalgamation or the wind-up of a subsidiary (total of lines 230 and 240 of Schedule 53)		G
Subtotal (amount F **plus** amount G)	▶	H
Amount H **multiplied** by 38 1 / 3 %		I
Eligible refundable dividend tax on hand (ERDTOH) at the end of the previous tax year (for the first tax year starting after 2018, amount A or I, whichever is less, otherwise, use line 530 ________ of the preceding tax year)	520	J
Non-eligible refundable dividend tax on hand (NERDTOH) at the end of the previous tax year (for the first tax year starting after 2018, amount A **minus** amount I, otherwise, use line 545 ________ of the preceding tax year) (if negative, enter "0")	535	K
Part IV tax payable on taxable dividends from connected corporations (amount 2G from Schedule 3)		L
Part IV tax payable on eligible dividends from non-connected corporations (amount 2J from Schedule 3)		M
Subtotal (amount L **plus** amount M)	▶	N
Net ERDTOH transferred on an amalgamation or the wind-up of a subsidiary	525	O
ERDTOH dividend refund for the previous tax year	570	P
Refundable portion of Part I tax (from line 450 on page 6)		Q
Part IV tax before deductions (amount 2A from Schedule 3)		R
Part IV tax allocated to ERDTOH (amount N)		S
Part IV tax reduction due to Part IV.1 tax payable (amount 4D of Schedule 43)		T
Subtotal (amount R **minus** total of amounts S and T)	▶	U
Net NERDTOH transferred on an amalgamation or the wind-up of a subsidiary	540	V
NERDTOH dividend refund for the previous tax year	575	W
38 1/3% of the total losses applied against Part IV tax (amount 2D from Schedule 3)		X
Part IV tax payable allocated to NERDTOH, net of losses claimed (amount U **minus** amount X) (if negative enter "0")		Y
NERDTOH at the end of the tax year (total of amounts K, Q, V, and Y **minus** amount W) (if negative, enter "0")	545	
Part IV tax payable allocated to ERDTOH, net of losses claimed (amount N **minus** the amount, if any, by which amount X exceeds amount U) (if negative, enter "0")		Z
ERDTOH at the end of the tax year (total of amounts J, O, and Z **minus** amount P) (if negative, enter "0")	530	

Dividend refund

Description	Amount
38 1/3% of total eligible dividends paid in the tax year (amount 3A from Schedule 3)	AA
ERDTOH balance at the end of the tax year (line 530)	BB
Eligible dividend refund (amount AA or BB, whichever is less)	CC
38 1/3% of total non-eligible taxable dividends paid in the tax year (amount 3B from Schedule 3)	DD
NERDTOH balance at the end of the tax year (line 545)	EE
Non-eligible dividend refund (amount DD or EE, whichever is less)	FF
Amount DD **minus** amount EE (if negative, enter "0")	GG
Amount BB **minus** amount CC (if negative, enter "0")	HH
Additional non-eligible dividend refund (amount GG or HH, whichever is less)	II
Dividend refund – Amount CC **plus** amount FF **plus** amount II	JJ

Enter amount JJ on line 784 on page 9.

Part I tax

Base amount Part I tax – Taxable income (from line 360 on page 3) **multiplied** by 38 %			550	417,172 A
Additional tax on personal services business income (section 123.5)				
Taxable income from a personal services business	555	x 5 % =	560	B
Recapture of investment tax credit from Schedule 31			602	C

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

Aggregate investment income from line 440 on page 6		D	
Taxable income from line 360 on page 3	1,097,820 E		
Deduct: Amount from line 400, 405, 410, or 428 on page 4, whichever is the least	F		
Net amount (amount E **minus** amount F)	1,097,820 ▶	1,097,820 G	
Refundable tax on CCPC's investment income – 10 2/3 % of whichever is less: amount D or amount G		604	H
Subtotal (**add** amounts A, B, C, and H)			417,172 I

Deduct:

Small business deduction from line 430 on page 4		J	
Federal tax abatement	608	109,782	
Manufacturing and processing profits deduction from Schedule 27	616		
Investment corporation deduction	620		
Taxed capital gains 624			
Federal foreign non-business income tax credit from Schedule 21	632		
Federal foreign business income tax credit from Schedule 21	636		
General tax reduction for CCPCs from amount I on page 5	638	142,717	
General tax reduction from amount P on page 5	639		
Federal logging tax credit from Schedule 21	640		
Eligible Canadian bank deduction under section 125.21	641		
Federal qualifying environmental trust tax credit	648		
Investment tax credit from Schedule 31	652	19,120	
Subtotal		271,619 ▶	271,619 K

Part I tax payable – Amount I **minus** amount K .... 145,553 L
Enter amount L on line 700 on page 9.

Privacy statement

Personal information (including the SIN) is collected for the purposes of the administration or enforcement of the Income Tax Act and related programs and activities including administering tax, benefits, audit, compliance, and collection. The information collected may be used or disclosed for purposes of other federal acts that provide for the imposition and collection of a tax or duty. It may also be disclosed to other federal, provincial, territorial, or foreign government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties, or other actions. Under the Privacy Act, individuals have a right of protection, access to and correction of their personal information, or to file a complaint with the Privacy Commissioner of Canada regarding the handling of their personal information. Refer to Personal Information Bank CRA PPU 047 on Info Source at **canada.ca/cra-info-source**.

Summary of tax and credits

Federal tax

Part I tax payable from amount L on page 8	700	145,553
Part III.1 tax payable from Schedule 55	710	
Part IV tax payable from Schedule 3	712	
Part IV.1 tax payable from Schedule 43	716	
Part VI tax payable from Schedule 38	720	
Part VI.1 tax payable from Schedule 43	724	
Part XIII.1 tax payable from Schedule 92	727	
Part XIV tax payable from Schedule 20	728	
Total federal tax		145,553

Add provincial or territorial tax:

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

Net provincial or territorial tax payable (except Quebec and Alberta)	760	77,598
Total tax payable	770	223,151 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780		
Dividend refund from amount JJ on page 7	784		
Federal capital gains refund from Schedule 18	788		
Federal qualifying environmental trust tax credit refund	792		
Canadian film or video production tax credit (Form T1131)	796		
Film or video production services tax credit (Form T1177)	797		
Canadian journalism labour tax credit from Schedule 58	798		
Tax withheld at source	800		
Total payments on which tax has been withheld **801**			
Provincial and territorial capital gains refund from Schedule 18	808		
Provincial and territorial refundable tax credits from Schedule 5	812		
Tax instalments paid	840	124,597	
Total credits	890	124,597 ▶	124,597 B
Balance (amount A **minus** amount B)			98,554

Refund code **894** ☐ Refund

If the result is negative, you have a **refund**.
If the result is positive, you have a **balance owing**.
Enter the amount on whichever line applies.
Generally, we do not charge or refund a difference of $2 or less.

Balance owing 98,554

For information on how to make your payment, go to **canada.ca/payments**.

Direct deposit request

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

☐ Start ☐ Change information **910** Branch number

914 Institution number **918** Account number

If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due? **896** Yes ☐ No X

If this return was prepared by a tax preparer for a fee, provide their EFILE number **920** G1829

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

Certification

I, **950** McAllister (Last name) **951** Glen (First name) **954** CFO (Position, office, or rank),

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

955 Date (yyyy/mm/dd) — Signature of the authorized signing officer of the corporation — **956** (705) 431-6870 Telephone number

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

958 Lisa McCaskie (Name of other authorized person) **959** (705) 431-6870 (Telephone number)

Language of correspondence – Langue de correspondance

Indicate your language of correspondence by entering **1** for English or **2** for French.
Indiquez votre langue de correspondance en inscrivant **1** pour anglais ou **2** pour français. **990** 1

Canada Revenue Agency / Agence du revenu du Canada

Code 1901

Scientific Research and Experimental Development (SR&ED) Expenditures Claim

Use this form:
- to provide technical information on your SR&ED projects;
- to calculate your SR&ED expenditures; and
- to calculate your qualified SR&ED expenditures for investment tax credits (ITC).

To claim an ITC, use either:
- Schedule T2SCH31, Investment Tax Credit – Corporations; or
- Form T2038(IND), Investment Tax Credit (Individuals).

The information requested in this form and documents supporting your expenditures and project information (Part 2) are prescribed information.

In Part 6, a new box is added: Box 758 that must be filled if traditional method is used. The information is required for tax year ends after 2020 and optional for tax year ends before 2021.

Your SR&ED claim must be filed within 12 months of the filing due date of your income tax return.

To help you fill out this form, use the T4088, Guide to Form T661, which is available on our website: **canada.ca/taxes-sred**.

Part 1 – General information

010 Name of claimant: InnPower Corporation

Enter one of the following:
89242 2817 RC0001 — Business number (BN)
Social insurance number (SIN):

Tax year
From 2020-01-01 (Year Month Day) to 2020-12-31 (Year Month Day)

050 Total number of projects you are claiming this tax year: 1

100 Contact person for the financial information: Lisa McCaskie	**105** Telephone number/extension: (705) 431-6870	**110** Fax number
115 Contact person for the technical information: Danny Persaud	**120** Telephone number/extension: (705) 431-6870	**125** Fax number

151 If this claim is filed for a partnership, was Form T5013 Partnership Information Return filed? . . . . ☐ Yes ☐ No

If you answered **no** to line 151, complete lines 153, 156 and 157.

153 Names of the partners	**156** %	**157** BN or SIN
1		
2		
3		
4		
5		

Part 2 - Project information

CRA internal form identifier 060
Code 1901

Complete a separate Part 2 for each project claimed this year.

Section A - Project identification

200 Project title (and identification code if applicable)

See schedule

Part 3 – Calculation of SR&ED expenditures

What did you spend on your SR&ED projects?

Section A – Select the method to calculate the SR&ED expenditures

I elect (choose) to use the following method to calculate my SR&ED expenditures and related investment tax credits (ITC) for this tax year.
I understand that my election is irrevocable (cannot be changed) for this tax year.

160 1 [X] I elect to use the proxy method (Enter "0" on line 360 and complete Part 5.)

162 1 [ ] I choose to use the traditional method (Enter "0" on line 502. Complete line 360.)

Section B – Calculation of allowable SR&ED expenditures (to the nearest dollar)

	Line		Amount
• SR&ED portion of salary or wages of employees directly engaged in the SR&ED:			
a) Employees other than specified employees for work performed in Canada	300	+	82,981
b) Specified employees for work performed in Canada	305	+	
Subtotal (add lines 300 and 305)	306	=	82,981
c) Employees other than specified employees for work performed outside Canada (subject to limitations – see guide)	307	+	
d) Specified employees for work performed outside Canada (subject to limitations – see guide)	309	+	
• Salary or wages identified on line 315 in prior years that were paid in this tax year	310	+	
• Salary or wages incurred in the year but not paid within 180 days of the tax year end	315		
• Cost of materials consumed in performing SR&ED	320	+	
• Cost of materials transformed in performing SR&ED	325	+	
• Contract expenditures for SR&ED performed on your behalf:			
a) Arm's length contracts	340	+	4,900
b) Non-arm's length contracts	345	+	
• Overhead and other expenditures (enter "0" if you elected to use the proxy method at line 160)	360	+	
• Third-party payments (complete Form T1263*)	370	+	
Total allowable SR&ED expenditures (add lines 306 to 370; do not add line 315)	380	=	87,881

If the above expenditures have been included in your income statement, enter this amount on line 118 of Schedule T2SCH1 or, if you are an individual, include this amount in your self-employment income (lines 135 to 143) reported on your individual income tax and benefit return.

Section C – Calculation of pool of deductible SR&ED expenditures (to the nearest dollar)

	Line		Amount
Amount from line 380	420		87,881
Deduct			
• provincial government assistance for expenditures included on line 380	429	–	3,042
• other government assistance for expenditures included on line 380	431	–	
• non-government assistance for expenditures included on line 380	432	–	
• SR&ED ITCs applied and/or refunded in the prior year (do not include ITCs allocated from a partnership)	435	–	56,393
• sale of SR&ED capital assets and other deductions	440	–	
Subtotal (line 420 minus lines 429 to 440)	442	=	28,446
Add			
• repayments of government and non-government assistance that previously reduced the SR&ED expenditure pool	445	+	
• prior year's pool balance of deductible SR&ED expenditures (from line 470 of prior year T661)	450	+	
• SR&ED expenditure pool transfer from amalgamation or wind-up	452	+	
• amount of SR&ED ITC recaptured in the prior year	453	+	
Amount available for deduction (add lines 442 to 453) (enter positive amount only, include negative amount in income)	455	=	28,446
• Deduction claimed in the year (Corporations should enter this amount on line 411 of schedule T2SCH1)	460	–	28,446
Pool balance of deductible SR&ED expenditures to be carried forward to future years (line 455 minus 460)	470	=	

* Form T1263, Third-Party Payments for Scientific Research and Experimental Development (SR&ED)

Part 4 – Calculation of qualified SR&ED expenditures for investment tax credit (ITC) purposes (to the nearest dollar)

The resulting amount is used to calculate your refundable and/or non refundable ITC.

Total allowable SR&ED expenditures (from line 380)	492		87,881
Add			
• payment of prior years' unpaid amounts (other than salary or wages) (see note 1)	500	+	
• prescribed proxy amount (complete Part 5) (Enter "0" if you use the traditional method)	502	+	45,187
• qualified expenditures transferred to you (see note 3) (complete Form T1146**)	508	+	
Subtotal (add lines 492 to 508)	511	=	133,068
Deduct			
• provincial government assistance	513	–	4,623
• other government assistance	515	–	
• non-government assistance and contract payments	517	–	
• current expenditures (other than salary or wages) not paid within 180 days of the tax year end (see note 1)	520	–	
• 80% of the amounts paid in respect of an SR&ED contract to a person or partnership that is not a taxable supplier	528	–	
• 20% of the amount on lines 340 and 370	529	–	980
• prescribed expenditures not allowed by regulations (see guide)	530	–	
• other deductions (see guide)	533	–	
• non-arm's length transactions			
– assistance allocated to you (complete Form T1145*)	538	–	
– expenditures for non-arm's length SR&ED contracts (from line 345)	541	–	
– adjustments to purchases (limited to costs) of goods and services from non-arm's length suppliers (see guide)	542	–	
– qualified expenditures you transferred (complete Form T1146**)	544	–	
Qualified SR&ED expenditures (line 511 minus lines 513 to 544)	559	=	127,465
Add			
• repayments of assistance and contract payments made in the year	560	+	
Total qualified SR&ED expenditures for ITC purposes (add lines 559 and 560)	570	=	127,465

* Form T1145, Agreement to Allocate Assistance for SR&ED Between Persons Not Dealing at Arm's Length

** Form T1146, Agreement to Transfer Qualified Expenditures Incurred in Respect of SR&ED Contracts Between Persons Not Dealing at Arm's Length

Note 1 – For arm's length contracts, only include 80% of the contract amount.

Part 5 – Calculation of prescribed proxy amount (PPA)

A notional amount representing your overhead and other expenditures.

This part calculates the PPA to enter on line 502 in Part 4. Do not complete this part if you have chosen to use the traditional method in Part 3 (line 162).
You can only claim a PPA if you elected to use the proxy method for the year in Part 3 (line 160).

Special rules apply for specified employees. Calculate your salary base in Section A and the PPA in Section B.

Section A – Salary base

Salary or wages of employees other than specified employees (from lines 300 and 307)	810	+	82,981
Deduct			
Bonuses, remuneration based on profits, and taxable benefits that were included on line 810	812	–	823
Subtotal (line 810 minus 812)	814	=	82,158

Salary or wages of specified employees

850	852	854	856	858	860
Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Name of specified employee	Total salary or wages for the year (SR&ED and non-SR&ED) excluding bonuses, remuneration based on profits, and taxable benefits (to the nearest dollar)	% of time spent on SR&ED (maximum 75%)	Amount in column 2 multiplied by percentage in column 3	2,5 x A x B/365 A = Year's maximum pensionable earnings B = Number of days employed in tax year	Amount in column 4 or 5, whichever amount is less

(Enter total of column 6 on line 816)	816	+	
Salary base (total of lines 814 and 816)	818	=	82,158

Section B – Prescribed proxy amount (PPA)

Enter 55 % of the salary base (line 818)	820	=	45,187

Enter the amount from line 820 on to line 502 in Part 4 unless the overall cap on PPA applies to you. (See the guide for explanation and example of the overall cap on PPA)

Part 6 – Project costs

Information requested in this part must be provided for **all** SR&ED projects claimed in the year.
Expenditures should be recorded and allocated on a project basis.

* For Box 758, the information is required for tax year ends after 2020 and optional for tax year ends before 2021.

750	752	754	756	758
Project title or identification code	Salary or wages in the tax year (Total of lines 306 to 309)	Cost of materials in the tax year (Total of lines 320 and 325)	Contract expenditures for SR&ED performed on your behalf in the tax year (Total of lines 340 and 345)	Overhead and other expenditures in the tax year* (total of line 360, if applicable)
1 2019-01 Smart Devices for Grid Management	82,981		4,900	
Total	82,981		4,900	

Part 7 – Additional information

Expenditures for SR&ED performed by you in Canada (line 380 minus lines 307, 309, 340, 345, and 370) **605** 82,981

From the total you entered on line 605, estimate the percentage of distribution of the sources of funds for SR&ED performed within your organization.

		Canadian (%)		Foreign (%)
Internal	600	100.000		
Parent companies, subsidiaries, and affiliated companies	602		604	
Federal grants (do not include funds or tax credits from SR&ED tax incentives)	606			
Federal contracts	608			
Provincial funding	610			
SR&ED contract work performed for other companies on their behalf	612		614	
Other funding (e.g., universities, foreign governments)	616		618	

For statistical purposes indicate whether the work you performed falls within the realm of Basic or Applied research (to advance scientific knowledge) or Experimental development (to achieve a technological advancement):

620 1 [ ] Basic or Applied research **622** 1 [X] Experimental development

Enter the number of SR&ED personnel in full-time equivalents (FTE):

Scientists and engineers	632	1
Technologists and technicians	634	1
Managers and administrators	636	1
Other technical supporting staff	638	1

Part 8 – Claim checklist

To ensure your claim is complete, make sure you have:

1. used the current version of this form . . . [X]
2. entered the method you have chosen for reporting your SR&ED expenditures in Section A of Part 3 . . . [X]
3. completed Part 2 for each project . . . [X]
4. filed a completed Schedule T2SCH31 or Form T2038(IND) to claim ITCs on your qualified SR&ED expenditures . . . [X]
5. filed a completed Form T1145*, T1146**, T1174*** and/or T1263**** including any required attachments, if applicable . . . [X]

To expedite the processing of your claim, make sure you have:

1. completed Form T2, Corporation Income Tax Return or Form T1, Income Tax and Benefit Return . . . [X]
2. filed the appropriate provincial and/or territorial tax credit forms, if applicable . . . [X]
3. retained documents to support the SR&ED work performed and SR&ED expenditures you claimed . . . [X]
4. checked boxes 231 and 232 on page 2 of your T2 return to indicate attachment of Form T661 and Schedule T2SCH31 . . . [X]

* Form T1145, Agreement to Allocate Assistance for SR&ED Between Persons Not Dealing at Arm's Length

** Form T1146, Agreement to Transfer Qualified Expenditures Incurred in Respect of SR&ED Contracts Between Persons Not Dealing at Arm's Length

*** Form T1174, Agreement Between Associated Corporations to Allocate Salary or Wages of Specified Employees for Scientific Research and Experimental Development (SR&ED)

**** Form T1263, Third-Party Payments for Scientific Research and Experimental Development (SR&ED)

Part 9 – Claim preparer information

Information requested in this part must be provided for each claim preparer that has accepted consideration to prepare or assist in the preparation of this SR&ED claim. Certification is required on lines 935, 970, and 975.

A $1,000 penalty may be assessed if the information requested below about the claim preparer(s) and billing arrangement(s), is missing, incomplete, or inaccurate. Where a claim preparer has prepared or assisted in the preparation of this SR&ED form, the claimant and the claim preparer will be jointly and severally, or solidarily, liable for the penalty.

935 Was a claim preparer engaged in any aspect of the preparation of this SR&ED claim?

1 [X] Yes (complete the claim preparer information table and lines 970 and 975 below)

2 [ ] No (complete lines 970 and 975)

Claim preparer information table

940	945	950	955	960	965
Name of claim preparer (company or individual)	Business number	Billing arrangement code (see codes below*)	Billing rate (percentage, hourly/daily rate or flat fee)	Other billing arrangement(s) (Maximum 10 words)	Total fee paid, payable, or expected to pay
1. KPMG LLP	12236 3153 RT0001	1	25.00		5,936
				Total	5,936

*** Billing arrangement codes**

Code	Type of billing arrangement
1	Contingency fee arrangement – where the fee is based on a percentage of the investment tax credit earned
2	Hourly rate
3	Daily rate
4	Flat fee arrangement (lump sum)
5	Other arrangements – describe the arrangement in box 960 in 10 words or less

970 I, Glen McAllister, certify that the information provided in this part is complete and accurate.

Name of authorized signing officer of the corporation, or individual (print)

Signature

975 2021-06-22
Year Month Day

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

Part 10 – Certification

I certify that I have examined the information provided on this form and on the attachments and it is true, correct, and complete.

165 Glen McAllister
Name of authorized signing officer of the corporation, or individual

Signature

170
Date

175 KPMG LLP
Name of person/firm who completed this form

Privacy Notice

Personal information is collected pursuant to subsections 37(1), 37(11), and 162(5.1) of the Income Tax Act (the Act) and is used for verification of compliance, administration and enforcement of the Scientific Research and Experimental Development (SR&ED) program requirements.

Information may also be used for the administration and enforcement of other provisions of the Act, including assessment, audit, enforcement, collections, and appeals, and may be disclosed under information-sharing agreements in accordance with the Act. Incomplete or inaccurate information may result in assessment of monetary penalties and delays in processing SR&ED claims.

The social insurance number is collected pursuant to section 237 of the Act and is used for identification purposes.

Information is described in personal information bank CRA PPU 441 “Scientific Research and Experimental Development” in the Canada Revenue Agency (CRA) chapter of *Info Source*. Personal information is protected under the Privacy Act, and individuals have a right of access to, correction, and protection of their personal information. Further details regarding requests for personal information at the CRA and our Info Source chapter can be found at **canada.ca/cra-info-source**.

Part 2 – Project information (continued)

Project number **1**

CRA internal form identifier 060
Code 1901

Complete a separate Part 2 for each project claimed this year.

Section A – Project identification

200 Project title (and identification code if applicable)

2019-01 Smart Devices for Grid Management

202 Project start date	**204** Completion or expected completion date	**206** Field of science or technology code (See guide for list of codes)	
2017-10 (Year Month)	2021-11 (Year Month)	2.02.01	Electrical and electronic engineering

Project claim history

208 1 [X] Continuation of a previously claimed project **210** 1 [ ] First claim for the project

218 Was any of the work done jointly or in collaboration with other businesses? . . . . [ ] Yes [X] No

If you answered **yes** to line 218, complete lines 220 and 221.

220 Names of the businesses	**221** BN
1	
2	
3	

Section B – Project descriptions

242 What scientific or technological uncertainties did you attempt to overcome? (*Maximum 50 lines*)

1. InnPower Inc. ("InnPower" or "the company") operates ten substations, each
2. with an incoming voltage of 44,000 volts. There are over 525 kilometers of
3. high voltage lines under the company's jurisdiction, covering a 290 square
4. kilometer service area within the Town of Innisfil and South Barrie. In
5. seeking to advance technologies required to achieve smart grid capabilities,
6. the following technological uncertainties were needed to be addressed.
7. GIS network is a critical grid system for various purposes including
8. pinpointing the geospatial location of assets and faults. Due to legacy
9. issues, InnPower sought to advance their system by integrating with ESRI's
10. geometric network model (UNM). However, one of the challenges with the
11. utility network model (UNM) was that it was not adaptable to the OMS and
12. SCADA sub-systems. Therefore, it was unknown how to develop a GIS model that
13. would allow better integration with various sub-systems in the smart grid
14. network for asset management, web-based trace reporting, enhanced
15. troubleshooting and analysis from the field in real-time.
16. InnPower sought to develop a transformer station in order to accommodate
17. increased load demands. Accurate load forecasting calculations was a
18. challenge due to the arbitrary nature of loads, which may vary depending on
19. complex parameters such as change in temperature, humidity, and other factors
20. that influence consumption.
21. Power distribution networks are susceptible to faults caused by different
22. sources such as adverse weather conditions. InnPower sought to implement
23. lightning arrestors with an objective of reducing the transmission line
24. faults. Subsequently, a resistivity study was carried out in order to
25. determine the appropriate number of ground rods that would be necessary for
26. this purpose.

244 What work did you perform **in the tax year** to overcome the scientific or technological uncertainties described in line 242? (Summarize the systematic investigation or search) (*Maximum 100 lines*)

1. In FY20, InnPower continued investigations with respect to how to seamlessly
2. integrate the ESRI's utility network model (UNM) with various internal
3. applications such as OMS and SCADA that were not designed to work with the
4. model. In particular, it was necessary for the GIS model to be electrically
5. aware of all the devices in the distribution network such as distribution
6. lines, switch gears and all the other devices associated in the network such

244 What work did you perform **in the tax year** to overcome the scientific or technological uncertainties described in line 242? (Summarize the systematic investigation or search) (*Maximum 100 lines*)

7. that when the data from GIS is sent to the Outage Management System(OMS), the
8. faulty devices could be successfully identified in real-time and operations
9. such as performing short fault calculations at any given distribution path
10. could be performed to address the outages in the smart grid network. However,
11. due to incompatible GIS symboligies in the network, devices could not be
12. effectively identified. Subsequently, field analyses were performed to
13. consider the attributes of all devices in the network such that UNM is
14. electrically aware of the connectivity. Furthermore, the different
15. symboligies associated with electrical assets were explored in order to
16. effectivity map the devices in the network. Different schemas were explored
17. for communication with an objective of developing a common information model
18. (CIM) that would allow integrations between OMS and SCADA systems. Field
19. tests will be carried out in the next year to determine the efficiency of
20. this approach.
21. With an objective of handling increased load-demand of the smart grid
22. network, InnPower sought to implement a transformer station. Anticipated load
23. models were developed based on surface densities and the statistics based on
24. load intensifications due to potential EV (electric vehicles) charging
25. stations in the near future. Weather correction factors were introduced with
26. respect to changing annual weather patterns. These models helped InnPower to
27. identify limitations with respect to capacity and load profiles. As the
28. transformer station has only a fixed capacity, InnPower was also
29. investigating other techniques in the event of unanticipated loads in the
30. smart grid network. One proposal was to develop a distributed energy resource
31. (DER) non-wires solution (NWA) system that would allow solar and mobile
32. stations with battery chargers in order to meet near-term base load demand
33. and future peak demands. By the end of FY21, experiments were still ongoing
34. to improve the grid's responsiveness in handling outages and improve the
35. transformer station design.
36. As part of the smart grid R&D efforts, a study was initiated to determine how
37. to reduce the outages triggered by lightning. The study involved determining
38. the number of ground rods necessary for this purpose. The typical technique
39. is to employ 1 ground rod per location per lightning arrestors; however, it
40. was noted that the resistivity was not sufficient to prevent the outages due
41. to lightning. Based on the resistivity analysis, the proposed technique was
42. to introduce another three ground rods on the 44kV sub-transmission system to
43. minimize the lightning related outages. Field tests were carried out to test
44. the concept and significant improvements were observed compared to the
45. previous technique.

246 What scientific or technological advancements did you achieve or attempt to achieve as a result of the work described in line 244? (*Maximum 50 lines*)

1. The work performed for this project in FY20 represents a technological
2. advancement in the fields of Electrical and Electronic Engineering.
3. InnPower advanced the understanding of how to successfully develop a new
4. electrically aware GIS (geographical information system) unified network
5. model (UNM) that would allow integrations between OMS and SCADA systems and
6. improved business intelligence.
7. InnPower advanced their understanding of how to model peak loads that may be
8. caused by the stochastic proliferation of loads.
9. InnPower carried out a resistivity analysis to understand how to prevent
10. lightning triggered outages. The work led to the generation of new
11. understanding with respect to the how to design lightning arrestors to meet
12. the requirements.

Section C – Additional project information

Who prepared the responses for Section B?

253 1 [X] Employee directly involved in the project	254 Name: Danny Persaud	
255 1 [ ] Other employee of the company	256 Name:	
257 1 [X] External consultant	258 Name: KPMG LLP	259 Firm: KPMG LLP

List the key individuals directly involved in the project and indicate their qualifications/experience.

	260 Names	261 Qualifications/experience and position title
1	Danny Persaud	CEO, B.Eng. Engineering Systems and Computing, 10+ years of Engineering Experience.
2	Morteza Mirkeshmiri	Power System Designer, 10+ years of Engineering Experience.
3	Mike Bickers	GIS and AutoCAD Technician

265 Are you claiming any salary or wages for SR&ED performed outside Canada? . . . . [ ] Yes [X] No

266 Are you claiming expenditures for SR&ED carried out on behalf of another party? . . . . [ ] Yes [X] No

267 Are you claiming expenditures for SR&ED performed by people other than your employees? . . . . [X] Yes [ ] No

If you answered **yes** to line 267, complete lines 268 and 269.

	268 Names of individuals or companies	269 BN
1	Red Power Electric Inc.	76281 8698 RT0001

What evidence do you have to support your claim? (Check any that apply)
You do not need to submit these items with the claim. However, you are required to retain them in the event of a review.

- 270 1 [X] Project planning documents
- 271 1 [X] Records of resources allocated to the project, time sheets
- 272 1 [X] Design of experiments
- 273 1 [X] Project records, laboratory notebooks
- 274 1 [ ] Design, system architecture and source code
- 275 1 [ ] Records of trial runs
- 276 1 [X] Progress reports, minutes of project meetings
- 277 1 [X] Test protocols, test data, analysis of test results, conclusions
- 278 1 [ ] Photographs and videos
- 279 1 [ ] Samples, prototypes, scrap or other artefacts
- 280 1 [X] Contracts
- 281 1 [ ] Others, specify 282 ______

Federal Tax Instalments

Federal tax instalments

For the taxation year ended 2021-12-31

Business number 89242 2817 RC0001

The following is a list of instalments payable for the current taxation year, and the last column indicates the instalments payable to the Canada Revenue Agency (CRA). The instalments must be paid on each of the dates indicated below, otherwise non-deductible interest might be charged.

Instalment payments can be made using one of the following methods:

- electronically, using your online or telephone banking services;
- online, using the CRA's *My Payment* service, at **canada.ca/cra-my-payment**;
- by setting up a pre-authorized debit agreement, in *My Business Account*, at **canada.ca/my-cra-business-account**;
- in person, at a Canadian financial institution, **by presenting the appropriate remittance voucher** with your payment.

You can also mail a cheque or a money order payable to the Receiver General of Canada, **accompanied by the appropriate remittance voucher**, to Canada Revenue Agency, P.O. Box 3800, Station A, Sudbury ON P3A 0C3.

Do you want to calculate the tax instalments according to the extended payment date (COVID-19)?* ☐ Yes ☒ No

* The answer to this question is **Yes** when at least one of the dates entered in the **Monthly instalment workchart** or the **Quarterly instalment workchart** sections is after March 17, 2020, and before September 30, 2020.

Monthly instalment workchart

Date	Monthly tax instalments	Refund transferred to instalments	Instalments paid	Cumulative difference	Instalments payable
2021-01-31	18,596		0	18,596	
2021-02-28	18,596		0	37,192	
2021-03-31	18,596		0	55,788	
2021-04-30	18,596		0	74,384	
2021-05-31	18,596		0	92,980	
2021-06-30	18,596		0	111,576	
2021-07-31	18,596				130,172
2021-08-31	18,596				18,596
2021-09-30	18,596				18,596
2021-10-31	18,596				18,596
2021-11-30	18,596				18,596
2021-12-31	18,595				18,595
Instalment (COVID-19)					
Totals	223,151				223,151

Financial Statements of

INNPOWER CORPORATION

And Independent Auditors' Report thereon

Year ended December 31, 2020
(Expressed in thousands of dollars)

KPMG LLP
115 King Street South
2nd Floor
Waterloo ON N2J 5A3
Canada
Tel 519-747-8800
Fax 519-747-8830

INDEPENDENT AUDITORS' REPORT

To the Shareholder of InnPower Corporation

Opinion

We have audited the financial statements of InnPower Corporation (the Entity), which comprise:

- the statement of financial position as at December 31, 2020
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

KPMG

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Waterloo, Canada
April 27, 2021

INNPOWER CORPORATION

Statement of Financial Position
December 31, 2020, with comparative information for 2019
(Expressed in thousands of dollars)

	Note		2020		2019
Assets					
Current assets					
Accounts receivable	5	$	5,991	$	9,136
Unbilled revenue			5,318		5,144
Materials and supplies			1,489		1,083
Prepaid expenses			391		357
Total current assets			13,189		15,720
Non-current assets					
Property, plant and equipment	6		89,996		78,566
Intangible assets	7		591		514
Right of use assets	12		280		150
Total non-current assets			90,867		79,230
Total assets			104,056		94,950
Regulatory debit balances	9		9,173		9,273
Total assets and regulatory debit balances		$	113,229	$	104,223

See accompanying notes to the financial statements.

INNPOWER CORPORATION

Statement of Financial Position
December 31, 2020, with comparative information for 2019
(Expressed in thousands of dollars)

	Note	2020	2019
Liabilities			
Current liabilities			
Bank indebtedness	11	$ 3,313	$ 2,806
Accounts payable and accrued liabilities	10	8,452	8,250
Current portion of long-term debt	11	1,315	1,258
Income taxes payable		118	110
Customer deposits		39	39
Current portion of lease liabilities	12	46	35
Total current liabilities		13,283	12,498
Non-current liabilities			
Construction deposits		2,631	2,877
Long-term debt	11	34,883	36,254
Post-employment benefits	13	131	100
Contributions in aid of construction		30,792	22,586
Deferred tax liabilities	8	1,808	1,311
Lease liabilities	12	240	115
Total non-current liabilities		70,485	63,243
Total liabilities		83,768	75,741
Equity			
Share capital	14	10,852	10,852
Retained earnings		15,305	12,673
Contributed surplus		1,600	1,600
Accumulated other comprehensive income		77	92
Total equity		27,834	25,217
Total liabilities and equity		111,602	100,958
Regulatory credit balances	9	1,627	3,265
Total liabilities, equity and regulatory credit balances		$ 113,229	$ 104,223

See accompanying notes to the financial statements.

On behalf of the Board:

_________________________ Director _________________________ Director

INNPOWER CORPORATION

Statement of Income and Comprehensive Income
Year ended December 31, 2020, with comparative information for 2019
(Expressed in thousands of dollars)

	Note	2020	2019
Revenue			
Sale of energy		$ 40,891	$ 32,254
Distribution revenue		11,628	11,260
Other	15	1,710	1,504
		54,229	45,018
Operating expenses			
Cost of power purchased		43,336	34,338
Operating		6,264	5,867
Depreciation and amortization		2,942	2,656
Loss on disposal of property, plant and equipment		13	76
		52,555	42,937
Income from operating activities		1,674	2,081
Finance income	17	1	5
Finance costs	17	(1,376)	(1,398)
		(1,375)	(1,393)
Income (loss) before income taxes		(246)	688
Income tax expense	8	753	504
Net income (loss) for the year before movement in regulatory deferral account balances		(454)	184
Other comprehensive income			
Remeasurement of employee future benefits net of tax		(15)	66
Total comprehensive income (loss) for the year before movement in regulatory deferral account balances		(1,014)	250
Net movement in regulatory balances, net of tax		3,086	2,457
Total comprehensive income for the year and net movement in regulatory balances		$ 2,617	$ 2,707

See accompanying notes to the financial statements.

INNPOWER CORPORATION

Statement of Changes in Equity
Year ended December 31, 2020, with comparative information for 2019
(Expressed in thousands of dollars)

	Share capital	Retained earnings	Contributed surplus	Accumulated other comprehensive income	Total
Balance at January 1, 2019	$ 10,852	$ 10,032	$ 1,600	$ 26	$ 22,510
Net income and net movement in regulatory balances	–	2,641	–	66	2,707
Balance at December 31, 2019	$ 10,852	$ 12,673	$ 1,600	$ 92	$ 25,217
Balance at January 1, 2020	$ 10,852	$ 12,673	$ 1,600	$ 92	$ 25,217
Net income and net movement in regulatory balances	–	2,632	–	(15)	2,617
Balance at December 31, 2020	$ 10,852	$ 15,305	$ 1,600	$ 77	$ 27,834

See accompanying notes to the financial statements.

INNPOWER CORPORATION

Statement of Cash Flows
Year ended December 31, 2020, with comparative information for 2019
(Expressed in thousands of dollars)

		2020		2019
Operating activities				
Total comprehensive income	$	2,617	$	2,707
Adjustments for:				
Depreciation and amortization		3,013		2,736
Depreciation and amortization right of use asset		97		21
Amortization of contributions in aid of construction		(714)		(540)
Post-employment benefits		31		(78)
Loss on disposal of property, plant and equipment		13		76
Net finance costs		1,375		1,393
Income tax expense		753		528
Income tax expense within net movement in regulatory balances		496		570
		7,681		7,413
Change in non-cash operating working capital:				
Accounts receivable		3,145		(3,977)
Unbilled revenue		(174)		(613)
Materials and supplies		(406)		(421)
Prepaid expenses		(33)		25
Accounts payable and accrued liabilities		202		1,000
Customer deposits		(245)		(481)
		2,489		(4,467)
Regulatory balances		(2,034)		(2,765)
Income tax recovered (paid)		(249)		(26)
Interest paid		(1,363)		(1,394)
Interest received		1		5
Net cash from operating activities		6,525		(1,234)
Investing activities				
Purchase of property, plant and equipment		(14,332)		(11,564)
Proceeds on disposal of property, plant and equipment		39		6
Purchase of intangible assets		(240)		(118)
Construction contributions received		8,919		8,715
Net cash used by investing activities		(5,614)		(2,961)
Financing activities				
Bank indebtedness		507		2,806
Proceeds from long-term debt		–		2,376
Repayment of long-term debt		(1,314)		(1,175)
Repayment of lease liabilities		(104)		(25)
Net cash from financing activities		(911)		3,982
Change in cash		–		(213)
Cash, beginning of year		–		213
Cash, end of year	$	–	$	–

See accompanying notes to the financial statements.

1. Reporting entity

InnPower Corporation (the "Corporation") is a rate regulated, municipally owned hydro distribution company incorporated under the laws of Ontario, Canada. The Corporation is located in the Town of Innisfil ("the Town"). The address of the Corporation's registered office is 7251 Yonge Street, Innisfil, Ontario.

The Corporation delivers electricity and related energy services to residential and commercial customers in the Town and South Barrie. The Corporation is wholly owned by the Town of Innisfil.

The financial statements are for the Corporation as at and for the year ended December 31, 2020.

2. Basis of presentation

(a) Statement of compliance

The Corporation's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The financial statements were approved by the Board of Directors on April 21, 2021.

(b) Basis of measurement

These financial statements have been prepared on the historical cost basis, unless otherwise stated.

(c) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Corporation's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest thousand.

2. Basis of presentation (continued)

(d) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment is included in the following notes:

(i) Note 3(b) - measurement of unbilled revenue
(ii) Note 3 (b) - determination of the performance obligation for contributions from customers and the related amortization period.
(iii) Notes 3 (k), 16 - leases: whether an arrangement contains a lease
(iv) Notes 6, 7 - estimation of useful lives of its property, plant and equipment and intangible assets
(v) Note 9 - recognition and measurement of regulatory balances
(vi) Note 13 - measurement of defined benefit obligations: key actuarial assumptions
(vii) Note 18 - recognition and measurement of provisions and contingencies

(e) Rate regulation

The Corporation is regulated by the Ontario Energy Board ("OEB"), under the authority granted by the *Ontario Energy Board Act, 1998*. Among other things, the OEB has the power and responsibility to approve or set rates for the transmission and distribution of electricity, providing continued rate protection for electricity consumers in Ontario, and ensuring that transmission and distribution companies fulfill obligations to connect and service customers. The OEB may also prescribe license requirements and conditions of service to local distribution companies ("LDCs"), such as the Corporation, which may include, among other things, record keeping, regulatory accounting principles, separation of accounts for distinct businesses, and filing and process requirements for rate setting purposes.

The Corporation is required to bill customers for the debt retirement charge set by the province. The Corporation may file to recover uncollected debt retirement charges from Ontario Electricity Financial Corporation ("OEFC") once each year.

2. Basis of presentation (continued)

(e) Rate regulation (continued)

Rate setting

Distribution revenue

For the distribution revenue included in sale of energy, the Corporation files a “Cost of Service” (“COS”) rate application with the OEB every five years where rates are determined through a review of the forecasted annual amount of operating and capital expenditures, debt and shareholder’s equity required to support the Corporation’s business. The Corporation estimates electricity usage and the costs to service each customer class to determine the appropriate rates to be charged to each customer class. The COS application is reviewed by the OEB and interveners and rates are approved based upon this review, including any revisions resulting from that review.

In the intervening years an Incentive Rate Mechanism application (“IRM”) is filed. An IRM application results in a formulaic adjustment to distribution rates that were set under the last COS application. The previous year’s rates are adjusted for the annual change in the Gross Domestic Product Implicit Price Inflator for Final Domestic Demand (“GDP IPI-FDD”) net of a productivity factor and a “stretch factor” determined by the relative efficiency of an electricity distributor.

As a licensed distributor, the Corporation is responsible for billing customers for electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties. The Corporation is required, pursuant to regulation, to remit such amounts to these third parties, irrespective of whether the Corporation ultimately collects these amounts from customers.

The Corporation last filed a COS application in June 2016 for rates effective January 1, 2017 to December 31, 2021. On December 10, 2020 the Corporation received its decision on rates effective January 1, 2021.

Electricity rates

The OEB sets electricity prices for low-volume consumers twice each year based on an estimate of how much it will cost to supply the province with electricity for the next year. All remaining consumers pay the market price for electricity. The Corporation is billed for the cost of the electricity that its customers use and passes this cost on to the customer at cost without a mark-up.

3. Significant accounting policies

The accounting policies set out below have been applied consistently in all years presented in these financial statements.

(a) Financial instruments

At initial recognition, the Company measures it's financial assets at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement of the financial asset depends on the classification determined on initial recognition. Financial assets are classified as either amortized cost, fair value through other comprehensive income or fair value through profit or loss, depending on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Financial assets are not reclassified subsequent to their initial recognition, unless the Company changes its business model for managing financial assets.

Financial liabilities are initially measured at fair value, net of transaction costs incurred. They are subsequently carried at amortized cost using the effective interest rate method; any difference between the proceeds (net of transaction costs) and the redemption value is recognized as an adjustment to interest expense over the period of the borrowings.

The Corporation has not entered into derivative instruments.

(b) Revenue recognition

Sale and distribution of electricity

The performance obligations for the sale and distribution of electricity are recognized over time using an output method to measure the satisfaction of the performance obligation. The value of the electricity services transferred to the customer is determined on the basis of cyclical meter readings plus estimated customer usage since the last meter reading date to the end of the year and represents the amount that the Corporation has the right to bill. Revenue includes the cost of electricity supplied, distribution, and any other regulatory charges. The related cost of power is recorded on the basis of power used.

For customer billings related to electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties, the Corporation has determined that it is acting as a principal for these electricity charges and, therefore, has presented electricity revenue on a gross basis.

Customer billings for debt retirement charges are recorded on a net basis as the Corporation is acting as an agent for this billing stream.

3. Significant accounting policies (continued)

(b) Revenue recognition (continued)

Capital contributions

Developers are required to contribute towards the capital cost of construction of distribution assets in order to provide ongoing service. The developer is not a customer and therefore the contributions are scoped out of IFRS 15 *Revenue from Contracts with Customers*. Cash contributions, received from developers are recorded as deferred revenue. When an asset other than cash is received as a capital contribution, the asset is initially recognized at its fair value, with a corresponding amount recognized as deferred revenue. The deferred revenue, which represents the Corporation's obligation to continue to provide the customers access to the supply of electricity, is amortized to income on a straight-line basis over the useful life of the related asset.

Certain customers are also required to contribute towards the capital cost of construction of distribution assets in order to provide ongoing service. These contributions fall within the scope of IFRS 15 *Revenue from Contracts with Customers*. The contributions are received to obtain a connection to the distribution system in order receive ongoing access to electricity. The Corporation has concluded that the performance obligation is the supply of electricity over the life of the relationship with the customer which is satisfied over time as the customer receives and consumes the electricity. Revenue is recognized on a straight-line basis over the useful life of the related asset.

Other revenue

Revenue earned from the provision of services is recognized as the service is rendered.

Government grants and the related performance incentive payments under CDM programs are recognized as revenue in the year when there is reasonable assurance that the program conditions have been satisfied and the payment will be received.

(c) Materials and supplies

Materials and supplies, the majority of which is consumed by the Corporation in the provision of its services, is valued at the lower of cost and net realizable value, with cost being determined on an average cost basis, and includes expenditures incurred in acquiring the materials and supplies and other costs incurred in bringing them to their existing location and condition.

3. Significant accounting policies (continued)

(d) Property, plant and equipment

Items of property, plant and equipment (“PP&E”) used in rate-regulated activities and acquired prior to January 1, 2015 are measured at the deemed cost (carrying value as elected under IFRS 1) established on the transition date, less accumulated depreciation. All other items of PP&E are measured at cost, or, where the item is contributed by customers, its fair value, less accumulated depreciation.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes contracted services, materials and transportation costs, direct labour, overhead costs, borrowing costs and any other costs directly attributable to bringing the asset to a working condition for its intended use.

Borrowing costs on qualifying assets are capitalized as part of the cost of the asset based upon the weighted average cost of debt incurred on the Corporation’s borrowings. Qualifying assets are considered to be those that take in excess of 12 months to construct.

When parts of an item of PP&E have different useful lives, they are accounted for as separate items (major components) of PP&E.

When items of PP&E are retired or otherwise disposed of, a gain or loss on disposal is determined by comparing the proceeds from disposal, if any, with the carrying amount of the item and is included in profit or loss.

Major spare parts and standby equipment are recognized as items of PP&E.

The cost of replacing a part of an item of PP&E is recognized in the net book value of the item if it is probable that the future economic benefits embodied within the part will flow to the Corporation and its cost can be measured reliably. In this event, the replaced part of PP&E is written off, and the related gain or loss is included in profit or loss. The costs of the day-to-day servicing of PP&E are recognized in profit or loss as incurred.

The need to estimate the decommissioning costs at the end of the useful lives of certain assets is reviewed periodically. The Corporation has concluded it does not have any legal or constructive obligation to remove PP&E.

Depreciation is calculated to write off the cost of items of PP&E using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss. Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted prospectively if appropriate. Land is not depreciated. Construction-in-progress assets are not depreciated until the project is complete and the asset is available for use.

(Expressed in thousands of dollars)

3. Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

The estimated useful lives are as follows:

Asset	Years
Buildings and fixtures	50 years
Substations	30 years
Distribution lines	15-60 years
Distribution transformers	40-50 years
Meters	15-25 years
Office equipment	10 years
Computer equipment	5 years
Transportation equipment	10 years
Small tools and miscellaneous equipment	10 years
System supervisory	15 years

(e) Intangible assets

Intangible assets used in rate-regulated activities and acquired prior to January 1, 2015 are measured at deemed cost (carrying value as elected under IFRS 1) established on the transition date, less accumulated amortization. All other intangible assets are measured at cost.

Computer software that is acquired or developed by the Corporation after January 1, 2015, including software that is not integral to the functionality of equipment purchased which has finite useful lives, is measured at cost less accumulated amortization.

Payments to obtain rights to access land ("land rights") are classified as intangible assets. These include payments made for easements, right of access and right of use over land for which the Corporation does not hold title. Land rights are measured at cost less accumulated amortization.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. Amortization methods and useful lives of all intangible assets are reviewed at each reporting date and adjusted prospectively if appropriate. The estimated useful lives are:

Asset	Years
Computer software	3 years
Land rights	50 years

3. Significant accounting policies (continued)

(f) Impairment

(i) Financial assets measured at amortized cost

A loss allowance for expected credit losses on financial assets measured at amortized cost is recognized at the reporting date. The loss allowance is measured at an amount equal to the lifetime expected credit losses for the asset.

(ii) Non-financial assets

The carrying amounts of the Corporation's non-financial assets, other than materials and supplies and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or “CGU”). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(g) Customer deposits

Customer deposits represent cash deposits from electricity distribution customers and retailers to guarantee the payment of energy bills. Interest is paid on customer deposits.

Deposits are refundable to customers who demonstrate an acceptable level of credit risk as determined by the Corporation in accordance with policies set out by the OEB or upon termination of their electricity distribution service.

(h) Provisions

A provision is recognized if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

3. Significant accounting policies (continued)

(i) Regulatory balances

Regulatory deferral account debit balances represent costs incurred in excess of amounts billed to the customer at OEB approved rates. Regulatory deferral account credit balances represent amounts billed to the customer at OEB approved rates in excess of costs incurred by the Corporation.

Regulatory deferral account debit balances are recognized if it is probable that future billings in an amount at least equal to the deferred cost will result from inclusion of that cost in allowable costs for rate-making purposes. The offsetting amount is recognized in net movement in regulatory balances in profit or loss or OCI. When the customer is billed at rates approved by the OEB for the recovery of the deferred costs, the customer billings are recognized in revenue. The regulatory debit balance is reduced by the amount of these customer billings with the offset to net movement in regulatory balances in profit or loss or OCI.

The probability of recovery of the regulatory deferral account debit balances is assessed annually based upon the likelihood that the OEB will approve the change in rates to recover the balance. The assessment of likelihood of recovery is based upon previous decisions made by the OEB for similar circumstances, policies or guidelines issued by the OEB, etc. Any resulting impairment loss is recognized in profit or loss in the year incurred.

When the Corporation is required to refund amounts to ratepayers in the future, the Corporation recognizes a regulatory deferral account credit balance. The offsetting amount is recognized in net movement in regulatory balances in profit or loss or OCI. The amounts returned to the customers are recognized as a reduction of revenue. The credit balance is reduced by the amount of these customer repayments with the offset to net movement in regulatory balances in profit or loss or OCI.

3. Significant accounting policies (continued)

(j) Post-employment benefits

(i) Pension plan

The Corporation provides a pension plan for all its full-time employees through Ontario Municipal Employees Retirement System ("OMERS"). OMERS is a multi-employer pension plan which operates as the Ontario Municipal Employees Retirement Fund ("the Fund"), and provides pensions for employees of Ontario municipalities, local boards and public utilities. The Fund is a contributory defined benefit pension plan, which is financed by equal contributions from participating employers and employees, and by the investment earnings of the Fund. To the extent that the Fund finds itself in an under-funded position, additional contribution rates may be assessed to participating employers and members.

OMERS is a defined benefit plan. However, as OMERS does not segregate its pension asset and liability information by individual employers, there is insufficient information available to enable the Corporation to directly account for the plan. Consequently, the plan has been accounted for as a defined contribution plan. The Corporation is not responsible for any other contractual obligations other than the contributions. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss when they are due.

(ii) Post-employment benefits, other than pension

The Corporation provides some of its retired employees with life insurance and medical benefits beyond those provided by government sponsored plans.

The obligations for these post-employment benefit plans are actuarially determined by applying the projected unit credit method and reflect management's best estimate of certain underlying assumptions. Remeasurements of the net defined benefit obligations, including actuarial gains and losses and the return on plan assets (excluding interest), are recognized immediately in other comprehensive income. When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized immediately in profit or loss.

3. Significant accounting policies (continued)

(k) Leased assets

At inception of a contract, the Corporation assesses whether the contract is or contains a lease. A contract is determined to contain a lease if it provides the Corporation with the right to control the use of an identified asset for a period of time in exchange for consideration. Contracts determined to contain a lease are accounted for as leases. For leases and contracts that contain a lease, the Corporation recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Subsequent to initial recognition, the right-of-use asset is recognized at cost less any accumulated depreciation and any accumulated impairment losses, adjusted for certain remeasurements of the corresponding lease liability.

The lease liability is initially measured at the present value of lease payments plus the present value of lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Corporation's incremental borrowing rate.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Corporation's estimate of the amount expected to be payable under a residual value guarantee, or if the Corporation changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(l) Finance income and finance costs

Finance income is recognized as it accrues in profit or loss, using the effective interest method. Finance income comprises interest earned on cash and dividend income.

Finance costs comprise interest expense on borrowings and net interest expense on post-employment benefits. Finance costs are recognized in profit or loss unless they are capitalized as part of the cost of qualifying assets.

3. Significant accounting policies (continued)

(m) Income taxes

The income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case, it is recognized in equity.

The Corporation is currently exempt from taxes under the Income Tax Act (Canada) and the Ontario Corporations Tax Act (collectively the "Tax Acts"). Under the *Electricity Act*, 1998, the Corporation makes payments in lieu of corporate taxes to the Ontario Electricity Financial Corporation ("OEFC"). These payments are calculated in accordance with the rules for computing taxable income and taxable capital and other relevant amounts contained in the Tax Acts as modified by the *Electricity Act*, 1998, and related regulations. Prior to October 1, 2001, the Corporation was not subject to income or capital taxes. Payments in lieu of taxes are referred to as income taxes.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the tax basis of assets and liabilities and their carrying amounts for accounting purposes. Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted, at the reporting date.

4. Changes to accounting policies

The International Accounting Standards Board (IASB) has issued the following Standards Interpretations and Amendments to Standards that were adopted by the Company effective January 1, 2020:

- Amendments to Hedge Accounting Requirements - IBOR Reform and its Effects on Financial Reporting (Phase 1)
- Amendments to References to the Conceptual Framework in IFRS Standards
- Definition of a Business (Amendments to IFRS 3)
- Definition of Material (Amendments to IAS 1 and IAS 8)
- Covid-19 Related Rent Concessions (Amendment to IFRS 16)

The amendments and clarifications did not have an impact on the financial statements.

4. Changes to accounting policies (continued)

At the date of authorization of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early by the Corporation and it is still to be determined if any will have a material impact on the Corporation's financial statements.

(a) Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

(b) Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16)

(c) Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)

(d) Annual Improvements to IFRS Standards 2018 - 2020

(e) Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

(f) Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture

(Expressed in thousands of dollars)

5. Accounts receivable

		2020		2019
Trade customer receivables	$	4,520	$	4,392
Other receivables		719		4,253
Due from related parties		752		491
	$	5,991	$	9,136

6. Property, plant and equipment

		Land and buildings		Distribution equipment		Other fixed assets		Construction -in-Progress		Total
Cost or deemed cost										
Balance at January 1, 2020	$	14,808	$	67,648	$	5,287	$	3,737	$	91,480
Additions		71		12,506		372		1,383		14,332
Disposals/retirements		–		(208)		(8)		–		(216)
Balance at December 31, 2020	$	14,879	$	79,946	$	5,651	$	5,121	$	105,596
Balance at January 1, 2019	$	14,770	$	58,803	$	5,230	$	1,267	$	80,070
Additions		38		8,938		118		2,470		11,564
Disposals/retirements		-		(93)		(61)		-		(154)
Balance at December 31, 2019	$	14,808	$	67,648	$	5,287	$	3,737	$	91,480
Accumulated depreciation										
Balance at January 1, 2020	$	1,258	$	9,118	$	2,538	$	–	$	12,914
Depreciation		284		2,127		439		–		2,850
Disposals/retirements		–		(158)		(6)		–		(164)
Balance at December 31, 2020	$	1,542	$	11,087	$	2,971	$	–	$	15,600
Balance at January 1, 2019	$	975	$	7,288	$	2,126	$		$	10,389
Depreciation		283		1,857		457		–		2,597
Disposals/retirements		–		(27)		(45)		–		(72)
Balance at December 31, 2019	$	1,258	$	9,118	$	2,538	$	–	$	12,914
Carrying amounts										
At December 31, 2020	$	13,337	$	68,859	$	2,680	$	5,120	$	89,996
At December 31, 2019	$	13,550	$	58,530	$	2,749	$	3,737	$	78,566

(Expressed in thousands of dollars)

7. Intangible assets

	Computer software	Land rights	Total
Cost or deemed cost			
Balance at January 1, 2020	$ 1,067	$ 397	$ 1,464
Additions	240	–	240
Balance at December 31, 2020	$ 1,307	$ 397	$ 1,704
Balance at January 1, 2019	$ 952	$ 394	$ 1,346
Additions	115	3	118
Balance at December 31, 2019	$ 1,067	$ 397	$ 1,464
Accumulated amortization			
Balance at January 1, 2020	$ 871	$ 79	$ 950
Amortization	150	13	163
Balance at December 31, 2020	$ 1,021	$ 92	$ 1,113
Balance at January 1, 2019	$ 745	$ 66	$ 811
Amortization	126	13	139
Balance at December 31, 2019	$ 871	$ 79	$ 950
Carrying amounts			
At December 31, 2020	$ 286	$ 305	$ 591
At December 31, 2019	$ 196	$ 318	$ 514

(Expressed in thousands of dollars)

8. Income tax expense

Current tax expense

		2020		2019
Based on current year taxable income	$	242	$	110
Prior year adjustments		15		(152)
	$	257	$	(42)

Deferred tax expense

		2020		2019
Origination and reversal of temporary differences	$	496	$	570
	$	496	$	570

Reconciliation of effective tax rate

		2020		2019
Income before income taxes	$	3,370	$	3,211
Canada and Ontario statutory Income tax rates		26.5%		26.5%
Expected tax provision on income at statutory rates		893		851
Increase (decrease) in income taxes resulting from:				
Permanent differences		3		2
Prior period adjustment		(19)		(120)
Regulatory adjustment		(131)		(150)
Other		7		(79)
Income tax expense	$	753	$	504

Significant components of the Corporation’s deferred tax balances

		2020		2019
Deferred tax assets (liabilities):				
Property, plant and equipment	$	(1,848)	$	(1,338)
Post-employment benefits		35		27
Corporate minimum tax		5		–
Other		–		–
	$	(1,808)	$	(1,311)

(Expressed in thousands of dollars)

9. Regulatory balances

Reconciliation of the carrying amount for each class of regulatory balances

Regulatory deferral account debit balances	January 1, 2020	Additions	Recovery/ reversal	December 31, 2020	Remaining recovery/ reversal years
Retail settlement variances	$ 7,338	$ 2,555	$ (4,739)	$ 5,154	2-3
Deferred income tax	1,784	675	–	2,459	–
Regulatory variances disposition	–	1,385	–	1,385	–
Other	151	49	(25)	175	1-3
	$ 9,273	$ 4,664	$ (4,764)	$ 9,173	

Regulatory deferral account debit balances	January 1, 2019	Additions	Recovery/ reversal	December 31, 2019	Remaining recovery/ reversal years
Retail settlement variances	$ 5,826	$ 1,512	$ –	$ 7,338	2-3
Deferred income tax	1,009	775	–	1,784	–
Regulatory variances disposition	–	–	–	–	–
Other	171	50	(70)	151	1-3
	$ 7,006	$ 2,337	$ (70)	$ 9,273	

Regulatory deferral account credit balances	January 1, 2020	Additions	Recovery/ reversal	December 31, 2020	Remaining years
Retail settlement variances	$ 1,867	$ 560	$ (1,784)	$ 643	2-3
Deferred income tax on regulatory asset	472	179	–	651	–
Regulatory variances disposition	483	–	(483)	–	1-3
Other	443	118	(228)	333	–
	$ 3,265	$ 857	$ (2,495)	$ 1,627	

Regulatory deferral account credit balances	January 1, 2019	Additions	Recovery/ reversal	December 31, 2019	Remaining years
Retail settlement variances	$ 2,573	$ 129	$ (835)	$ 1,867	2-3
Deferred income tax on regulatory asset	267	205	–	472	–
Regulatory variances disposition	284	199	–	483	1-3
Other	70	373	–	443	–
	$ 3,194	$ 906	$ (835)	$ 3,265	

The COVID-19 emergency deferral account comprises of five sub-accounts established to track incremental costs and lost revenues related to the COVID-19 pandemic: (i) Billing and System Changes as a Result of the Emergency Order Regarding Time-of-Use Pricing, (ii) Lost Revenues Arising from the COVID-19 Emergency, (iii) Other Incremental Costs, (iv) Foregone Revenues from Postponing Rate Implementation, and (v) Bad Debt.

(Expressed in thousands of dollars)

9. Regulatory balances (continued)

On December 16, 2020, the OEB Staff released their proposal on the COVID-19 deferral accounts which introduces certain criteria to that may need to be satisfied for amounts to be eligible for recovery. Based on this information, management believes there is high uncertainty in regards to the recoverability of costs and lost revenues related to government and OEB customer relief actions, and therefore a low probability of recovery. Costs directly related to the implementation of safety measures as a result of the COVID-19 pandemic were tracked. No amounts have been recorded in the COVID-19 Emergency Deferral Account as at December 31, 2020.

The regulatory balances are recovered or settled through rates approved by the OEB which are determined using estimates of future consumption of electricity by its customers. Future consumption is impacted by various factors including the economy and weather. The Corporation has received approval from the OEB to establish its regulatory balances.

Settlement of the Group 1 deferral accounts is done on an annual basis through application to the OEB. The OEB requires the Corporation to estimate its income taxes when it files a COS application to set its rates. As a result, the Corporation has recognized a regulatory deferral account for the amount of deferred taxes that will ultimately be recovered from/paid back to its customers. This balance will fluctuate as the Corporation's deferred tax balance fluctuates.

Regulatory deferral accounts attract interest at OEB prescribed rates. With the exception of Pension and OEB Forecast Accrual accounts (OPEBs), the rates from January to June 2020 were 2.18%, and July to December 2020 were 0.57%. Prior year rates from January to March 2019 were 2.45%, April to December 2019 were 2.18%.

In 2020, OPEBs were 2.88% for the period January to March, 2.48% for the period April to September and 2.03% for period October to December. In 2019, OPEBs were 3.82% for the period January to March, 3.39% for the period April – June and 2.88% for the period July to December.

10. Accounts payable and accrued liabilities

	2020	2019
Power purchases	$ 1,209	$ 2,535
Trade payables	2,300	1,513
Due to related parties	3,888	3,715
Other	1,055	487
	$ 8,452	$ 8,250

(Expressed in thousands of dollars)

11. Long-term debt

	2020	2019
Term loan, interest at 4.05%, payable in monthly instalments, due 2022, secured by a General Security Agreement	$ 2,948	$ 3,085
Term loan, interest at 3.81%, payable in monthly instalments, due 2022, secured by a General Security Agreement	3,072	3,201
Term loan, interest at 4.59%, payable in monthly instalments, due 2023, secured by a General Security Agreement	2,471	2,557
Term loan, interest at 3.96%, payable in monthly instalments, due 2024, secured by a General Security Agreement	1,746	1,790
Term loan, interest at 3.91%, payable in monthly instalments, due 2024, secured by a General Security Agreement	1,760	1,803
Term loan, interest at 3.68%, payable in monthly instalments, due 2025, secured by a General Security Agreement	1,759	1,803
Term loan, interest at 1.54%, payable in monthly instalments, due 2025, secured by a General Security Agreement	10,717	11,071
Term loan, interest at 3.48%, payable in monthly instalments, due 2026, secured by a General Security Agreement	2,663	2,728
Term loan, interest at 4.09%, payable in monthly Instalments, due 2026, secured by a General Security Agreement	1,606	1,637
Ontario Infrastructure loan, interest at 3.91%, payable in semi-annual instalments, due 2026 secured by a General Security Agreement	1,000	1,167
Term loan, interest at 3.60%, payable in monthly instalments, due 2027, secured by a General Security Agreement	2,858	2,922
Term loan, interest at 1.92%, payable in monthly instalments, due 2030, secured by a General Security Agreement	1,269	1,372
Term loan, interest at 3.28%, payable in monthly instalments, due 2049 secured by a General Security Agreement	2,329	2,376
	36,198	37,512
Less current portion of long-term debt	(1,315)	(1,258)
	$ 34,883	$ 36,254

(Expressed in thousands of dollars)

11. Long-term debt (continued)

Principal payment due in each of the next five years are as follows:

2021	$	1,315
2022		6,799
2023		3,278
2024		4,136
2025		11,530
Thereafter		9,140

As of December 31, 2020, the Company has a bank overdraft of $3,313 ($2,806 - 2019). Bank overdrafts are repayable on demand and form an integral part of the Company's cash management. Interest accrues daily at Prime less 1.90%.

12. Leases

Right-of-use Asset		Vehicle Leases
Cost or deemed cost		
Balance at January 1, 2020	$	171
Additions		227
Balance at December 31, 2020	$	398
Balance at January 1, 2019	$	–
Additions		171
Balance at December 31, 2019	$	171
Accumulated amortization		
Balance at January 1, 2020	$	21
Amortization		97
Balance at December 31, 2020	$	118
Balance at January 1, 2019	$	–
Amortization		21
Balance at December 31, 2019	$	21
Carrying amounts		
At December 31, 2020	$	280
At December 31, 2019	$	150

(Expressed in thousands of dollars)

12. Leases (continued)

Lease Liability		Vehicle Leases
Balance at January 1, 2020	$	150
Additions		227
Repayments		(104)
Interest		13
Balance at December 31, 2020	$	286
Balance at January 1, 2019	$	–
Additions		171
Repayments		(25)
Interest		4
Balance at December 31, 2019	$	150

Lease liabilities include a current portion of $46, with the remaining balance due over the following two years. Certain leases held by the Corporation provide the Corporation with extension options and termination options that may impact the term of the Lease which can impact the finance lease liability recognized in the statement of financial position. The Corporation has determined the lease term for all contracts based on all available information as at the reporting date.

13. Post-employment benefits

(a) OMERS pension plan

The Corporation provides a pension plan for its employees through OMERS. The plan is a multi-employer, contributory defined pension plan with equal contributions by the employer and its employees. In 2020, the Corporation made employer contributions of $498 to OMERS (2019 - $404) which has been recognized in profit or loss. The Corporation estimates that a contribution of $400 to OMERS will be made during the next fiscal year.

As at December 31, 2020, OMERS had approximately 525,000 members, of whom 42 are current employees of the Corporation. The most recently available OMERS annual report is for the year ended December 31, 2020, which reported that the plan was 97% funded, with an unfunded liability of $3.2 billion. This unfunded liability may result in extra future payments by participating employers and members.

(Expressed in thousands of dollars)

13. Post-employment benefits (continued)

(b) Post-employment benefits other than pension

The Corporation pays certain medical and life insurance benefits on behalf of some of its retired employees. The Corporation recognizes these post-employment benefits in the year in which employees' services were rendered. The Corporation is recovering its post-employment benefits in rates based on the expense and remeasurements recognized for post-employment benefit plans.

Reconciliation of the obligation		2020		2019
Defined benefit obligation, beginning of year	$	100	$	178
Included in profit or loss				
Current service cost		13		9
Interest cost		3		3
Included in other comprehensive income				
Actuarial Loss arising from changes in financial assumptions		15		(90)
		131		100
Benefits paid		–		–
Defined benefit obligation, end of year	$	131	$	100

Actuarial assumptions	2020	2019
Discount (interest) rate	3.80%	3.80%
Salary levels	3.10%	3.10%
Medical Costs	6.50%	6.50%
Dental Costs	4.00%	4.00%

(b) Post-employment benefits other than pension (continued)

A 1% increase in the assumed discount rate would result in the defined benefit obligation decreasing by $18. A 1% decrease in the assumed discount rate would result in the defined benefit obligation increasing by $20.

14. Share capital

		2020		2019
Authorized:				
Unlimited number of common shares				
Unlimited number of preferred shares				
Issued:				
1,000 common shares, no par value	$	10,852	$	10,852

(Expressed in thousands of dollars)

15. Other revenue

	2020	2019
Collection and other service charges	$ 221	$ 209
Billing and other services	303	233
Rent	391	323
Recognition of contributions in aid of construction	742	540
Other	53	199
	$ 1,710	$ 1,504

16. Employee salaries and benefits

	2020	2019
Salaries, wages and benefits	$ 4,052	$ 3,911
CPP and EI remittances	332	276
Contributions to OMERS	498	404
	$ 4,882	$ 4,591

17. Finance income and costs

	2020	2019
Finance income		
Interest income on bank deposits	$ 1	$ 5
Finance costs		
Interest expense on long-term debt	(1,284)	(1,377)
Interest expense on customer deposits	(72)	(44)
Other	(7)	(13)
Interest expense on capital lease	(13)	(4)
	(1,376)	(1,398)
Net finance costs recognized in profit or loss	$ (1,375)	$ (1,393)

18. Commitments and contingencies

General Liability Insurance

The Corporation is a member of the Municipal Electric Association Reciprocal Insurance Exchange (MEARIE). MEARIE is a pooling of public liability insurance risks of many of the LDCs in Ontario. All members of the pool are subjected to assessment for losses experienced by the pool for the years in which they were members, on a pro-rata basis based on the total of their respective service revenues. As at December 31, 2020, no assessments have been made.

(Expressed in thousands of dollars)

19. Related party transactions

(a) Parent and ultimate controlling party

The sole shareholder of the Corporation is the Town of Innisfil. The Town produces consolidated financial statements that are available for public use.

(b) Outstanding balances with related parties

		2020		2019
Town of Innisfil - receivable	$	150	$	183
InnServices Utilities Inc. - receivable		234		–
InnServices Utilities Inc. - payable		(3,888)		(3,715)
Innterprises Inc. - receivable		368		308
	$	(3,136)	$	(3,224)

(c) Transactions with related parties

The Corporation delivers electricity to the Town throughout the year for the electricity needs of the Town and its related organizations. Electricity delivery charges are at prices and under terms approved by the OEB.

The Corporation also provides electricity and other services, including water and wastewater billing and collection, to InnServices Utilities Inc, an affiliate company. Electricity delivery charges are at prices and under terms approved by the OEB. Revenue includes $1,351 (2019 - $1,314) from InnServices Utilities Inc. for financial, billing, and other services.

(d) Key management personnel

The key management personnel of the Corporation have been defined as members of its board of directors and executive management team members. The compensation paid or payable is as follows:

		2020		2019
Directors' fees	$	53	$	50
Salaries and other benefits		943		720
	$	996	$	770

20. Financial instruments and risk management

Fair value disclosure

The carrying values of cash, accounts receivable, unbilled revenue, due from/to related parties and accounts payable and accrued liabilities approximate fair value because of the short maturity of these instruments. The carrying value of the customer deposits approximates fair value because the amounts are payable on demand.

The fair value of the long-term debt at December 31, 2020 is $36,297 (2019 - $36,038). The fair value is calculated based on the present value of future principal and interest cash flows, discounted at the current rate of interest at the reporting date.

Financial risks

The Corporation understands the risks inherent in its business and defines them broadly as anything that could impact its ability to achieve its strategic objectives. The Corporation's exposure to a variety of risks such as credit risk, interest rate risk, and liquidity risk, as well as related mitigation strategies are discussed below.

(a) Credit risk

Financial assets carry credit risk that a counterparty will fail to discharge an obligation which could result in a financial loss. Financial assets held by the Corporation, such as accounts receivable, expose it to credit risk. The Corporation earns its revenue from a broad base of customers located in the Town of Innisfil and South Barrie. As at December 31, 2020, no single customer accounts for a balance in excess of 10% of total accounts receivable (2019 - none).

The carrying amount of accounts receivable is reduced through the use of an allowance for impairment and the amount of the related impairment loss is recognized in profit or loss. Subsequent recoveries of receivables previously provisioned are credited to profit or loss. The balance of the allowance for impairment at December 31, 2020 is $110 (2019 - $60). An impairment loss of $238 (2019 - $40) was recognized during the year.

The Corporation's credit risk associated with accounts receivable is primarily related to payments from distribution customers. At December 31, 2020, approximately $160 (2019 - $164) is considered 90 days past due. The Corporation has over 17,000 customers, the majority of whom are residential. Credit risk is managed through collection of security deposits from customers in accordance with directions provided by the OEB and through credit insurance. As at December 31, 2020, the Corporation holds security deposits in the amount of $39 (2019 - $39).

20. Financial instruments and risk management (continued)

(b) Market risk

Market risks primarily refer to the risk of loss resulting from changes in commodity prices, foreign exchange rates, and interest rates. The Corporation currently does not have any material commodity or foreign exchange risk. The Corporation is exposed to fluctuations in interest rates as the regulated rate of return for the Corporation's distribution business is derived using a complex formulaic approach which is in part based on the forecast for long-term Government of Canada bond yields. This rate of return is approved by the OEB as part of the approval of distribution rates.

A 1% increase in the interest rate at December 31, 2020, would have increased interest expense on the long-term debt by $383, assuming all other variables remain constant. A 1% decrease in the interest rate would have an equal but opposite effect.

(c) Liquidity risk

The Corporation monitors its liquidity risk to ensure access to sufficient funds to meet operational and investing requirements. The Corporation's objective is to ensure that sufficient liquidity is on hand to meet obligations as they fall due while minimizing interest exposure. The Corporation has access to a $6,000 line of credit facility and monitors cash balances daily to ensure that a sufficient level of liquidity is on hand to meet financial commitments as they become due. As at December 31, 2020, $3,313 had been drawn under the Corporation's credit facility (2019 - $2,806).

The Corporation also has a letter of credit facility for $938 for the purpose of issuing letters of credit mainly to support the prudential requirements of the IESO, of which $nil has been drawn and posted with the IESO (2019 - $nil).

The majority of accounts payable, as reported on the statement of financial position, are due within 30 days.

(d) Capital disclosures

The main objectives of the Corporation, when managing capital, are to ensure ongoing access to funding to maintain and improve the electricity distribution system, compliance with covenants related to its credit facilities, prudent management of its capital structure with regard for recoveries of financing charges permitted by the OEB on its regulated electricity distribution business, and to deliver the appropriate financial returns.

The Corporation's definition of capital includes shareholder's equity and long-term debt. As at December 31, 2020, shareholder's equity amounts to $27,834 (2019 - $25,217) and long-term debt amounts to $36,198 (2019 - $37,512).

21. Impact of COVID-19:

On March 11, 2020, the World Health Organization declared that the COVID-19 outbreak was a global pandemic. On March 17, 2020, the Ontario Government declared a State of Emergency pursuant to the Emergency Management and Civil Protection Act. The Ontario Government renewed the declaration, as required by the legislation, until July 24, 2020. During the State of emergency, the Ontario Government issued emergency orders under the legislation and extended them as required by the legislation. On July 24, 2020, the Reopening Ontario (A Flexible Response to COVID-19) Act, 2020 came into effect, bringing the declared State of Emergency to an end. The Reopening Ontario Act also enabled the Ontario Government to extend, amend, and revoke the remaining emergency orders in order to facilitate a flexible response to the ongoing COVID-19 risks.

On March 19, 2020, the OEB extended the ban on disconnecting residential customers to July 31,2020, in light of the COVID-19 pandemic. For the same reason, at the same time, the OEB also banned the disconnection of other low volume customers (as defined in the OEB Act) prior to July 31, 2020. In addition, the Corporation extended its ban on disconnecting residential and low volume customers until the transition back into the OEB's annual recurring winter disconnection ban on November 15, 2020.

On March 24, 2020, the Ontario Government issued an emergency order setting TOU rates for onpeak, mid-peak, and off-peak at 10.1 cents per kWh, which prior to the emergency order was the TOU off-peak rate. That emergency order was effective through May 7, 2020. On May 6, 2020, the Ontario Government issued an emergency order extending those TOU rates through May 31, 2020.

On May 30, 2020, the Ontario Government announced the COVID-19 Recovery Rate, setting a fixed TOU electricity price at 12.8 cents per kWh, 24 hours a day, seven days a week, effective June 1,2020 until October 31, 2020. On October 13, 2020, the OEB announced new TOU rates for onpeak, mid-peak, and off-peak, that once again vary according to when electricity is used, effective November 1, 2020. There was no impact to net income to the Corporation.

On March 25, 2020, the OEB established a deferral account for regulatory balances to record the costs of changes to billing systems resulting from the Ontario Government's TOU emergency order, other incremental costs and lost revenues associated with the COVID-19 pandemic. On May 14, 2020, the OEB launched a consultation process to inform its decision-making with respect to how the account will operate, including eligibility requirements, and the process and timing for the disposition. On December 16, 2020, OEB staff issued a proposal with respect to the deferral account and related consultation (Note 9).

21. Impact of COVID-19 (continued)

On August 20, 2020, the Ontario Government amended O. Reg. 95/05 Classes of Consumers and Determination of Rates. Accordingly, customers on the RPP have the choice to pay TOU rates or tiered rates, effective November 1, 2020. By default, RPP customers will pay TOU rates. RPP customers who choose to pay tiered rates will pay a lower rate for consumption below a monthly threshold, and a higher rate for consumption above that threshold. The tiered rates and the threshold are set by the OEB twice per year, at the same time as the OEB sets TOU rates. There was no impact to net income to the Corporation.

On December 15, 2020, the OEB announced new RPP TOU and tiered rates to reflect a decrease in supply cost resulting from the Ontario Government's decision to remove certain renewable generation costs from the global adjustment and funding them directly through the tax base. The reduction was accompanied by a corresponding reduction to the Ontario Electricity Rebate. There was no net income impact to the Corporation.

On December 22, 2020, the Ontario Government amended O. Reg. 95/05 Classes of Consumers and Determination of Rates, setting both the TOU rates for on-peak, mid-peak, and off-peak and tiered rates at the TOU off-peak rate of 8.5 cents per kWh. That regulatory amendment was effective through January 28, 2021, and most recently extended until February 22, 2021. On February 23, 2021, residential and small business customers resumed paying TOU and tiered pricing under the RPP at prices that were set by the OEB on December 15, 2020. There was no net income impact to the Corporation.

22. Comparative figures

Certain of the prior year comparative figures have been restated to conform to the current year's presentation.

Schedule of Instalment Remittances

Name of corporation contact
Telephone number

Effective interest date	Description (instalment remittance, split payment, assessed credit)	Amount of credit
	2020	124,597

Total amount of instalments claimed (carry the result to line 840 of the T2 Return)	124,597	**A**
Total instalments credited to the taxation year per T9	124,597	**B**

Transfer

	Account number	Taxation year end	Amount	Effective interest date	Description
From:					
To:					
From:					
To:					
From:					
To:					
From:					
To:					
From:					
To:					

Canada Revenue Agency / Agence du revenu du Canada

Net Income (Loss) for Income Tax Purposes

Schedule 1

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2020-12-31

- Use this schedule to reconcile the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes. For more information, see the T2 Corporation – Income Tax Guide.
- All legislative references are to the Income Tax Act.

Net income (loss) after taxes and extraordinary items from line 9999 of Schedule 125 . . . . . 2,617,000 A

Add:

	Line	Amount	
Provision for income taxes – current	101	257,000	
Provision for income taxes – deferred	102	496,000	
Interest and penalties on taxes	103	5,893	
Amortization of tangible assets	104	2,942,000	
Loss on disposal of assets	111	13,000	
Scientific research expenditures deducted per financial statements	118	87,881	
Non-deductible meals and entertainment expenses	121	4,087	
Reserves from financial statements – balance at the end of the year	126	131,083	
Subtotal of additions		3,936,944 ▶	3,936,944

Other additions:

Miscellaneous other additions:

	1 Description 605	2 Amount 295
1	Inducement under 12(1)(x) ITA	8,570,291
2	Customer Deposits - paragraph 20(1)(a)	39,000
3	Amortization of Capital Lease	97,000
4	Amortization expensed in distribution expenses	81,144
	Total of column 2	8,787,435 ▶ 296 8,787,435

Subtotal of other additions 199 8,787,435 ▶ 8,787,435 D

Total additions 500 12,724,379 ▶ 12,724,379

Amount A **plus** line 500 . . . . . 15,341,379 B

Deduct:

	Line	Amount	
Capital cost allowance from Schedule 8	403	4,129,248	
SR&ED expenditures claimed in the year on line 460 from Form T661	411	28,446	
Reserves from financial statements – balance at the beginning of the year	414	100,083	
Subtotal of deductions		4,257,777 ▶	4,257,777

Other deductions:

Miscellaneous other deductions:

	1 Description 705	2 Amount 395
1	13(7.4) electon re contributed capital	8,545,000
2	Capital Lease payments	91,000
3	Customer Deposits - paragraph 20(1)(m)	39,000
4	Amortization of deferred contribution	733,000
5	Tax movement in reg. account	496,000
6	SR&ED expenditures capitalized for accounting	81,782
	Total of column 2	9,985,782 ▶ 396 9,985,782

Subtotal of other deductions **499**	9,985,782 ▶	9,985,782	E
Total deductions **510**	14,243,559 ▶	14,243,559	
Net income (loss) for income tax purposes (amount B **minus** line 510) . . . . Enter amount C on line 300 of the T2 return.		1,097,820	C

T2 SCH 1 E (19)

Canadä

Inducement

This form is used to calculate inducements that a corporation must add to its income under paragraph 12(1)(x) ITA. If an amount reduces the capital cost of a property, this amount will be indicated in Part "Tax credits whose amount should reduce the capital cost of property."

If you want to transfer an amount to Schedule 1 and include it in the corporation's income for tax purposes, select the corresponding check box in column A. You can also select the option **Select this check box to add all the amounts to income calculated in Schedule 1** to transfer all the amounts to Schedule 1. In either case, the column A check box will be selected for that amount and it will therefore be updated to Schedule 1.

Tax credits whose amount should be added to income

Ontario

A		
X	Portion of the Ontario research and development tax credit that relates to the prescribed proxy amount (PPA) and portion of the Ontario investment tax credit that relates to contributions made to SR&ED farming organizations	7,777
X	Ontario co-operative education tax credit	17,514
	Ontario apprenticeship training tax credit	
	Ontario computer animation and special effects tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Ontario film and television tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Ontario production services tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Ontario interactive digital media tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Ontario book publishing tax credit	
	Portion of the Ontario innovation tax credit that relates to the prescribed proxy amount (PPA) and portion of the Ontario investment tax credit that relates to contributions made to SR&ED farming organizations	
	Ontario business-research institute tax credit	
	Ontario community food program donation tax credit for farmers	

Other amounts

A		
X	Contributed capital for fixed assets	8,545,000
	Total	8,545,000

Tax credits whose amount should reduce the capital cost of property

Attached Schedule with Total

Ontario – Portion of the Ontario research and development tax credit that relates to the prescribed proxy amount (PPA) and portion of the Ontario investment tax c

Title Ontario – Portion of the Ontario research and development tax credit that ı

Description	Operator (Note)	Amount	
ORDTC claimed in 2019 T2 (Sch.508, line GG)		11,293	00
Less: Assistance reducing SRED in 2019 T2 (Sch.661, line 429)	-	3,516	00
	+		
	Total	7,777	00

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula 1+2*3 will not result in the same thing as the formula 1+3*2.

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Schedule 5

Tax Calculation Supplementary – Corporations

Corporation's name	Business Number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2020-12-31

- Use this schedule if, during the tax year, your corporation:
  - had a permanent establishment in more than one jurisdiction (corporations that have no taxable income should only complete columns A, B, and D in Part 1)
  - is claiming provincial or territorial tax credits or rebates (see Part 2), or
  - has to pay taxes, other than income tax, for Newfoundland and Labrador, or Ontario (see Part 2).
- All legislative references are to the Income Tax Regulations.
- For more information, see the T2 Corporation – Income Tax Guide.
- For the regulation number to be entered in field 100 of Part 1, see the chart below.

Part 1 – Allocation of taxable income

100 ______ Enter the regulation that applies (402 to 413)

A Jurisdiction. Tick yes if your corporation had a permanent establishment in the jurisdiction during the tax year *		B Total salaries and wages paid in jurisdiction	C (B x taxable income) / G	D Gross revenue attributable to jurisdiction	E (D x taxable income) / H	F Allocation of taxable income (C + E) x 1/2** (where either G or H is nil, do not multiply by 1/2)
Newfoundland and Labrador	003 Yes ☐	103		143		
Newfoundland and Labrador Offshore	004 Yes ☐	104		144		
Prince Edward Island	005 Yes ☐	105		145		
Nova Scotia	007 Yes ☐	107		147		
Nova Scotia Offshore	008 Yes ☐	108		148		
New Brunswick	009 Yes ☐	109		149		
Quebec	011 Yes ☐	111		151		
Ontario	013 Yes ☐	113		153		
Manitoba	015 Yes ☐	115		155		
Saskatchewan	017 Yes ☐	117		157		
Alberta	019 Yes ☐	119		159		
British Columbia	021 Yes ☐	121		161		
Yukon	023 Yes ☐	123		163		
Northwest Territories	025 Yes ☐	125		165		
Nunavut	026 Yes ☐	126		166		
Outside Canada	027 Yes ☐	127		167		
Total		129 G		169 H		

* **Permanent establishment** is defined in subsection 400(2)
** For corporations other than those described under section 402, use the appropriate calculation described in the Regulations to allocate taxable income.

Notes:
1. After determining the allocation of taxable income, you have to calculate the corporation's provincial or territorial tax payable. For more information on how to calculate the tax for each province or territory, see the instructions for Schedule 5 in the T2 Corporation – Income Tax Guide.
2. If your corporation has provincial or territorial tax payable, complete Part 2.
3. If your corporation is a member of a partnership and the partnership had a permanent establishment in a jurisdiction, select the jurisdiction in Column A and include your proportionate share of the partnership's salaries and wages and gross revenue in columns B and D, respectively.

Part 2 – Ontario tax payable, tax credits, and rebates

Total taxable income	Income eligible for small business deduction	Provincial or territorial allocation of taxable income	Provincial or territorial tax payable before credits
1,097,820		1,097,820	126,249

	Line	Amount		Amount	
Ontario basic income tax (from Schedule 500)	270	126,249			
Ontario small business deduction (from Schedule 500)	402				
Subtotal (line 270 **minus** line 402)		126,249	►	126,249	5A
Ontario transitional tax debits (from Schedule 506)	276				
Recapture of Ontario research and development tax credit (from Schedule 508)	277				
Subtotal (line 276 **plus** line 277)			►		5B
Gross Ontario tax (amount 5A **plus** amount 5B)				126,249	5C
Ontario resource tax credit (from Schedule 504)	404				
Ontario tax credit for manufacturing and processing (from Schedule 502)	406				
Ontario foreign tax credit (from Schedule 21)	408				
Ontario credit union tax reduction (from Schedule 500)	410				
Ontario political contributions tax credit (from Schedule 525)	415				
Ontario non-refundable tax credits (total of lines 404 to 415)			►		5D
Subtotal (amount 5C **minus** amount 5D) (if negative, enter "0")				126,249	5E
Ontario research and development tax credit (from Schedule 508)			416	4,623	
Ontario corporate income tax payable before Ontario corporate minimum tax credit and Ontario community food program donation tax credit for farmers (amount 5E **minus** line 416) (if negative, enter "0")				121,626	5F
Ontario corporate minimum tax credit (from Schedule 510)			418	44,028	
Ontario community food program donation tax credit for farmers (from Schedule 2)			420		
Ontario corporate income tax payable (amount 5F **minus** the total of lines 418 and 420) (if negative, enter "0")				77,598	5G
Ontario corporate minimum tax (from Schedule 510)	278				
Ontario special additional tax on life insurance corporations (from Schedule 512)	280				
Subtotal (line 278 **plus** line 280)			►		5H
Total Ontario tax payable before refundable tax credits (amount 5G **plus** amount 5H)				77,598	5I
Ontario qualifying environmental trust tax credit	450				
Ontario co-operative education tax credit (from Schedule 550)	452				
Ontario apprenticeship training tax credit (from Schedule 552)	454				
Ontario computer animation and special effects tax credit (from Schedule 554)	456				
Ontario film and television tax credit (from Schedule 556)	458				
Ontario production services tax credit (from Schedule 558)	460				
Ontario interactive digital media tax credit (from Schedule 560)	462				
Ontario book publishing tax credit (from Schedule 564)	466				
Ontario innovation tax credit (from Schedule 566)	468				
Ontario business-research institute tax credit (from Schedule 568)	470				
Ontario regional opportunities investment tax credit (from Schedule 570)	472				
Ontario refundable tax credits (total of lines 450 to 472)			►		5J
Net Ontario tax payable or refundable tax credit (amount 5I **minus** amount 5J) (if a credit, enter amount in brackets) Include this amount on line 255.			290	77,598	

Summary

Enter the total net tax payable or refundable tax credits for all provinces and territories on line 255.

Net provincial and territorial tax payable or refundable tax credits **255** 77,598

If the amount on line 255 is positive, enter the net provincial and territorial tax payable on line 760 of the T2 return.
If the amount on line 255 is negative, enter the net provincial and territorial refundable tax credits on line 812 of the T2 return.

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Schedule 7

Aggregate Investment Income and Income Eligible for the Small Business Deduction

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2020-12-31

- Use this schedule if you are a Canadian-controlled private corporation (CCPC) to calculate:
  - your aggregate investment income and foreign investment income, as defined in subsection 129(4), to determine the refundable portion of Part I tax, and your adjusted aggregate investment income, as defined in subsection 125(7), for the purpose of the business limit reduction
  - your **specified partnership income**, as defined in subsection 125(7), if you are a member (or **designated member**) of one or more partnerships, and
  - your income from an active business carried on in Canada eligible for the small business deduction including any **specified corporate income** as defined in subsection 125(7)
- Use this schedule if another CCPC is making an assignment of **business limit** under subsection 125(3.2) to you.
- Use this schedule if you are a corporation that is a member of a partnership to assign **specified partnership business limit** to a **designated member** under subsection 125(8).
  Note: If you are a corporation that is not a CCPC, **only** complete Table 1 (columns A1, B1, C1, G1, H1 and J1) and Table 3 to make this assignment.
- The adjusted aggregate investment income, for the purpose of the business limit reduction, also applies to a tax year of a corporation that begins before 2019 and ends after 2018 under the following circumstances:
  - the corporation's preceding tax year was, because of a transaction or event or a series of transactions or events, shorter than it would have been in the absence of that transaction, event or series, and
  - one of the reasons for the transaction, event or series was to defer the application of subsections 125(5.1), (5.2) and (7) to the corporation
- All legislative references are to the Income Tax Act.
- For more information, see **Small Business Deduction** and **Refundable Portion of Part I Tax** in Guide T4012, T2 Corporation – Income Tax Guide.
- See the notes at the end of the form.

Part 1 – Aggregate investment income

Aggregate investment income is all **world** source income.

Description	Line	Amount		Amount	
Eligible portion of taxable capital gains for the year	002				
Eligible portion of allowable capital losses for the year (including allowable business investment losses)	012				
Net capital losses of previous years claimed on line 332 on the T2 return	022				
Subtotal (line 012 **plus** line 022)			►		A
Line 002 **minus** amount A (if negative, enter "0")					B
Total income from property (include income from a specified investment business carried on in Canada other than income from a source outside Canada)	032	1,000			
Exempt income	042				
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for the year	052				
Taxable dividends deductible (total of column F on Schedule 3 **minus** related expenses)	062				
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)	072				
Subtotal (**add** lines 042, 052, 062 and 072) ►			C		
Subtotal (line 032 **minus** amount C)		1,000	►	1,000	D
Amount B **plus** amount D				1,000	E
Total losses from property (include losses from a specified investment business carried on in Canada other than a loss from a source outside Canada)	082			1,376,000	
Amount E **minus** line 082 (if negative, enter "0") (enter on line 440 of the T2 return)	092				

Part 2 – Adjusted aggregate investment income

Eligible portion of taxable capital gains for the year (other than taxable capital gains from the disposition of an active asset note 13)			705	
Eligible portion of allowable capital losses for the year (including allowable business investment losses) (other than allowable capital losses from the disposition of an active asset note 13)			710	
Subtotal (line 705 **minus** line 710) (if negative, enter "0")				F
Total income from property note 14		715	1,000	
Exempt income	720			
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for the year	725			
Dividends from connected corporations	730			
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)	735			
Subtotal (**add** lines 720, 725, 730 and 735)		▶	G	
Subtotal (line 715 **minus** amount G)			1,000 ▶	1,000 H
Amount F **plus** amount H				1,000 I
Total losses from property note 14			740	1,376,000
Amount, if any, deducted under subsection 91(4) in computing the corporation's income for the year			741	
Adjusted aggregate investment income (amount I **minus** line 740, **plus** line 741) (if negative, enter "0")			745	

If this is your first tax year starting after 2018, complete the following portion.

Eligible portion of taxable capital gains for each tax year that ended in the preceding calendar year (other than taxable capital gains from the disposition of an active asset note 13)			2A
Eligible portion of allowable capital losses for each tax year that ended in the preceding calendar year (including allowable business investment losses)(other than allowable capital losses from the disposition of an active asset note 13)			2B
Subtotal (amount 2A **minus** amount 2B) (if negative, enter "0")			2C
Total income from property for each tax year that ended in the preceding calendar year note 14		2D	
Exempt income for each tax year that ended in the preceding calendar year	2E		
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for each tax year that ended in the preceding calendar year	2F		
Dividends from connected corporations for each tax year that ended in the preceding calendar year	2G		
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a) for each tax year that ended in the preceding calendar year	2H		
Subtotal (**add** amounts 2E, 2F, 2G and 2H)	▶	2I	
Subtotal (amount 2D **minus** amount 2I)		▶	2J
Amount 2C **plus** amount 2J			2K
Total losses from property for each tax year that ended in the preceding calendar year note 14			2L
Amount, if any, deducted under subsection 91(4) in computing the corporation's income for each tax year that ended in the preceding calendar year		742	
Adjusted aggregate investment income (amount 2K **minus** amount 2L, **plus** line 742) (if negative, enter "0")		744	

(enter the total of line 744 and the adjusted aggregate investment income of all associated corporations on line 417 of the T2 return)

Part 3 – Foreign investment income

Foreign investment income is all income from sources **outside Canada**.

Eligible portion of taxable capital gains for the year			001	
Eligible portion of allowable capital losses for the year (including allowable business investment losses)			009	
Subtotal (line 001 **minus** line 009) (if negative, enter "0")				J
Total income from property from a source **outside Canada** (net of related expenses)		019		
Exempt income	029			
Taxable dividends deductible (total of column F on Schedule 3 **minus** related expenses)	049			
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)	059			
Subtotal (**add** lines 029, 049, and 059)	►	K		
Subtotal (line 019 **minus** amount K)		►		L
Amount J **plus** amount L				M
Total losses from property from a source **outside Canada**			069	
Amount M **minus** line 069 (if negative, enter "0") (enter on line 445 of the T2 return)			079	

Part 3A – Canadian and foreign investment income and adjusted aggregate investment income calculation

	A Canadian investment income	B Foreign investment income	C Adjusted aggregate investment income*	
Eligible portion of the taxable capital gains for the year before taking into account the capital gains reserves (federal) of Schedule 13*				1.1
Eligible portion of capital gains reserves (addition/deduction)*, **				1.2
Taxable capital gains under section 34.2 (line 275 on Schedule 73)**				1.3
Eligible portion of the taxable capital gains for the year (**add** amounts 1.1, 1.2, and 1.3)				1
Eligible portion of allowable capital losses for the year (including allowable business investment losses)*				2.1
Net capital losses of previous years (line 332 on the T2 return)				2.2
Allowable capital losses under section 34.2 (line 285 of Schedule 73)**				2.3
Allowable capital losses for the year (**add** amounts 2.1, 2.2 and 2.3)				2
Amount 1 **minus** amount 2 (if negative, enter "0")				3
Taxable dividends				4.1
Rental property income (under regulation 1100(11))				4.2
Other property income*	1,000		1,000	4.3
Property income under section 34.2 (line 280 of Schedule 73)**				4.4
Total property income (**add** amounts 4.1, 4.2, 4.3 and 4.4)	1,000		1,000	4
Exempt income				5.1
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for the year				5.2
Taxable dividends deductible (total of column F on Schedule 3 **minus** related expenses)*				5.3
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)				5.4
Add amounts 5.1, 5.2, 5.3 and 5.4				5
Amount 4 **minus** amount 5	1,000		1,000	6
Amount 3 **plus** amount 6	1,000		1,000	7
Rental property losses (under regulation 1100(11))				8.1
Dividend losses				8.2
Other property losses*	1,376,000		1,376,000	8.3
Property losses under section 34.2 (line 280 of Schedule 73)**				8.4
Total property losses (**add** amounts 8.1, 8.2, 8.3 and 8.4)	1,376,000		1,376,000	8
Amount 7 **minus** amount 8 (if negative, enter "0")				9
Amount, if any, deducted under subsection 91(4) in computing the corporation's income for the year				10
Amount 7 **minus** amount 8 **plus** amount 10 (if negative, enter "0")				11

* To calculate the adjusted aggregate investment income under column C:

- On lines 1.1, 1.2 and 2.1, only capital gains and losses resulting from the disposition of property other than an active asset (as defined under subsection 125(7) ITA) are to be taken into account.
- On line 4.3, include amounts in respect of a life insurance policy that are included in computing the corporation's income for the year (even if those amounts are not included in the calculation of the corporation's investment income in column A and B) as well as the income from a specified foreign investment business.
- On line 5.3, only the dividends received from a connected corporation should be included.
- On line 8.3, include the loss from a specified foreign investment business.

For more information on the calculation of the adjusted aggregate investment income, consult notes 13 and 14 at the end of this form as well as the Help (F1).

** When an amount is entered on these lines in column B, it reduces the corresponding amount in column A. For more information, consult the Help (F1).

Net taxable dividends		Canadian	Foreign	Total
Taxable dividends deducted per Schedule 3				
Less: Expenses related to such dividends	**A***			
Total expenses				
Net taxable dividends				

* Column A – Enter an “X” if the expense is related to a dividend received from a connected corporation.

Part 4 – Specified partnership income

Table 1 – Specified partnership income

A	A1	1A
Is the corporation a designated member of the partnership?	Partnership name **200**	Partnership's account number
Yes No		

B1	C1	D1	1D	2D	E1	F1
Total income (loss) of partnership from an active business **300**	Corporation's share of amount in column B1 **310**	Income of the corporation from providing (directly or indirectly) services or property to the partnership **311**	Prorated amounts calculated under section 34.2 note 1	Expenses the corporation incurred to earn partnership income	Adjustments (column 1D **minus** column 2D) **315**	Corporation's income (loss) in respect of the partnership note 2 (**add** columns C1, D1 and E1) **320**

Total **350** ____________

G1	H1	I1	J1	K1	L1	M1
Number of days in the partnership's fiscal period **325**	Prorated business limit notes 2 and 3 (column C1 ÷ column B1) × [$ 500 000 × (column G1 ÷ 365)] (if column C1 is negative, enter "0") **330**	Specified partnership business limit **assigned to you** (from H2 in Table 2) note 5 **335**	Specified partnership business limit **assigned by you** from F3 in Table 3) note 6 **336**	Specified partnership business limit amount (column H1 **plus** column I1 **minus** column J1)	Column F1 **minus** column K1 (if negative, enter "0")	Lesser of columns F1 and K1 (if column F1 is negative, enter "0") note 4 **340**

Total **385** ____________ **360** ____________

Corporation's losses for the year from an active business carried on in Canada (other than as a member of a partnership) – enter as a positive amount . . . . **370** ____________

Specified partnership loss of the corporation for the year – enter as a positive amount (total of all negative amounts in column F1) . . . . **380** ____________

Subtotal (line 370 **plus** line 380) ____________ N

Amount at line 385 or amount N, whichever is less . . . . **390** ____________

Specified partnership income (line 360 **plus** line 390) . . . . **400** ____________
(enter at amount R in Part 5)

Part 4 – Specified partnership income (continued)

Tables 2 and 3 are used to make an assignment of **specified partnership business limit** under subsection 125(8). A person that is a member of a partnership can make an assignment of **specified partnership business limit** under subsection 125(8) to a **designated member**.

If you are a CCPC that is a designated member and **receiving** specified partnership business limit from a person that is a member of the partnership, complete Table 2.

If you are a corporation that is a member of the partnership and **assigning** specified partnership business limit to a designated member, complete Table 3.

Table 2 – A member is assigning to you specified partnership business limit under subsection 125(8)

A2	2A	B2
Partnership name 405	Partnership's account number	Name of the member 406

C2	D2	E2	F2	G2	H2
Business number of the member (if applicable) 410	Social insurance number of the member (if applicable) 411	Trust account number of the member (if applicable) 412	Tax year start of the member (yyyymmdd) 415	Tax year-end of the member (yyyymmdd) 416	Specified partnership business limit assigned to you by the member note 7 420

Table 3 – You are assigning to a designated member (CCPC) specified partnership business limit under subsection 125(8)

A3	3A	B3
Partnership name 425	Partnership's account number	Name of the designated member 426

C3	D3	E3	F3
Business number of the designated member 430	Tax year start of the designated member (yyyymmdd) 435	Tax year-end of the designated member (yyyymmdd) 436	Specified partnership business limit assigned by you to the designated member note 8 440

Part 5 – Partnership income not eligible for the small business deduction

Corporation's income from active businesses carried on in Canada as a member or designated member of a partnership (after deducting related expenses) – from line 350 in Part 4 (if the net amount is negative, enter "0" on line 450) . . . . ________ O

Specified partnership loss (from line 380 in Part 4) . . . . ________ P

Subtotal (amount O **plus** amount P) ________ Q

Specified partnership income (from line 400 in Part 4) . . . . ________ R

Partnership income not eligible for the small business deduction (amount Q **minus** amount R) . . . . 450 ________
(enter at amount Z in Part 6)

Part 6 – Income eligible for the small business deduction

Net income for income tax purposes from line 300 of the T2 return		1,097,820	S		
Allowable business investment loss from line 406 of Schedule 1			T		
Subtotal (amount S **plus** amount T)		1,097,820	►	1,097,820	U
Foreign business income after deducting related expenses note 9	500				
Taxable capital gains from line 113 of Schedule 1			V		
Net property income (line 032 note 10 **minus** the total of lines 042, 052 and 082 note 9 in Part 1)		-1,375,000	W		
Personal services business income after deducting related expenses note 9	e1				
Other income after deducting related expenses note 9	e2				
Subtotal (amount e1 **plus** amount e2) note 9	► 520				
Subtotal (**add** line 500, amount V, amount W and line 520)		-1,375,000	►	-1,375,000	X
Net amount (amount U **minus** amount X)				2,472,820	Y
Partnership income not eligible for the small business deduction (line 450 in Part 5)			Z		
Partnership income allocated to your corporation under subsection 96(1.1)	530				
Income referred to in clause 125(1)(a)(i)(C)	540				
Income referred to in clause 125(1)(a)(i)(B) (from line 615 in Part 7)			AA		
Subtotal (**add** amount Z, line 530, line 540 and amount AA)			►		BB
Specified corporate income (from line 625 in Part 7)					CC
Income eligible for the small business deduction (amount Y **minus** amount BB, **plus** amount CC) (enter amount DD on line 400 of the T2 return - if negative, enter "0")				2,472,820	DD

Part 7 – Specified corporate income and assignment under subsection 125(3.2)

	1EE Name of the corporation	**EE** Business number of the corporation 600	**FF** Income described under clause 125(1)(a)(i)(B) received from the corporation identified in column EE note 11 610	**GG** Business limit assigned **from** the corporation identified in column EE note 12 620
1				
			Total 615	Total 625

See the privacy statement on your return.

Notes

Note 1 Do **not** include expenses that were deducted in computing the income of the corporation in column D1.

In general, amounts included under subsections 34.2(2) and 34.2(3) or claimed under subsection 34.2(4) are deemed to have the **same character** and be in the **same proportions** as the partnership income they relate to. For example, if a corporation receives $100,000 of partnership income for the partnership's fiscal period ending in its tax year, and that income is made up of $40,000 of active business income, $30,000 of income from property, and $30,000 as a taxable capital gain, the corporation's adjusted stub period accrual (ASPA) in respect of the partnership would be 40% active business income, 30% property income, and 30% taxable capital gains. Add or deduct only the portion of the following amounts that are characterized as **active business income** in accordance with subsection 34.2(5):

Add:

– the ASPA under subsection 34.2(2) (column 4 of Schedule 73)
– the income inclusion for a new corporate member of a partnership under subsection 34.2(3) (column 6 of Schedule 73)
– the previous-year transitional reserve under subsection 34.2(12) (column 12 of Schedule 73)

Deduct:

– the previous-year ASPA under subsection 34.2(4) (column 5 of Schedule 73)
– the previous-year income inclusion for a new corporate member of a partnership under subsection 34.2(4) (column 7 of Schedule 73)

Note 2 When a partnership carries on more than one business, one of which generates income and another of which realizes a loss, the loss is **not** netted against the partnership's income when calculating the prorated business limit (column H1). Enter on line 380 the total of all losses from column F1.

Note 3 **If** you are a **designated member** of the partnership, enter "0".

Note 4 You must enter "0" **if** the partnership provides services or property to either:

(A) a private corporation (directly or indirectly in any manner whatever) in the year, if:
- you (or one of your shareholders) or a person that does **not** deal at arm's length with you (or one of your shareholders) holds a direct or indirect interest in the private corporation, and
- it is not the case that all or substantially all of the partnership's income for the year from an active business is from providing services or property to
  – persons (other than the private corporation) that deal at arm's length with the partnership and each person that holds a direct or indirect interest in the partnership, or
  – partnerships with which the partnership deals at arm's length, other than a partnership in which a person that does **not** deal at arm's length with you holds a direct or indirect interest, or

(B) a particular partnership (directly or indirectly in any manner whatever) in the year, if:
- you (or one of your shareholders) do **not** deal at arm's length with the particular partnership or a person that holds a direct or indirect interest in the particular partnership, and
- it is not the case that all or substantially all of the partnership's income for the year from an active business is from providing services or property to
  – persons that deal at arm's length with the partnership and each person that holds a direct or indirect interest in the partnership, or
  – partnerships (other than the particular partnership) with which the partnership deals at arm's length, other than a partnership in which a person that does **not** deal at arm's length with you holds a direct or indirect interest.

Note 5 If you are a CCPC that is a **designated member** receiving an assignment of **specified partnership business limit,** complete Table 2 to determine the amounts to enter in Table 1 column I1.

Note 6 If you are a corporation that is a **member** of the partnership and you are assigning **specified partnership business limit**, complete Table 3 to determine the amounts to enter in Table 1 column J1.

Note 7 Add the amounts in column H2 that are for the same partnership and enter it in Table 1 column I1, in the row of the applicable partnership.

Note 8 Add the amounts in column F3 that are for the same partnership and enter it in Table 1 column J1, in the row of the applicable partnership. This amount **cannot** be higher than the amount of prorated business limit you would otherwise be entitled to in Table 1 column H1 for that partnership.

Note 9 If negative, enter amount in brackets, and **add** instead of subtracting.

Note 10 Net of related expenses.

Note 11 This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts, each of which is your income from an active business for the year from providing services or property to a private corporation (directly or indirectly, in any manner whatever) if

(A) at any time in the year, you (or one of your shareholders) or a person that does **not** deal at arm's length with you (or one of your shareholders) holds a direct or indirect interest in the private corporation, and

(B) it is not the case that all or substantially all of your income for the year from an active business is from providing services or property to
(I) persons (other than the private corporation) with which you deal at arm's length, or
(II) partnerships with which you deal at arm's length, other than a partnership in which a person that does **not** deal at arm's length with you holds a direct or indirect interest.

Do **not** include specified farming or fishing income. If the conditions described in subsection 125(10) are met, do not include income from an associated corporation.

Note 12 The amount of business limit that a CCPC can assign to you cannot be greater than the amount in column FF that is from providing services or property **directly** to that CCPC. If there is an amount included in column FF that is deductible by that CCPC in respect of the amount of its income referred to in clause 125(1)(a)(i)(A) or (B) for its tax year, you need to deduct it from column FF for the purpose of determining the amount that can be assigned to you.

Notes (continued)

Note 13 Active asset, of a particular corporation at any time, means property that is:

(A) used at that time principally in an active business carried on primarily in Canada by the particular corporation or by a Canadian-controlled private corporation that is related to the particular corporation,

(B) a share of the capital stock of another corporation if, at that time,

- the other corporation is connected with the particular corporation (within the meaning assigned by subsection 186(4) on the assumption that the other corporation is at that time a payer corporation within the meaning of that subsection), and
- the share would be a qualified small business corporation share (as defined in subsection 110.6(1)) if:
  – the references in that definition to an "individual" were references to the particular corporation, and
  – that definition were read without reference to "the individual's spouse or common-law partner", or

(C) an interest in a partnership, if:

- at that time, the fair market value of the particular corporation's interest in the partnership is equal to or greater than 10% of the total fair market value of all interests in the partnership,
- throughout the 24-month period ending before that time, more than 50% of the fair market value of the property of the partnership was attributable to property described in this paragraph or in paragraph (A) or (B), and
- at that time, all or substantially all of the fair market value of the property of the partnership was attributable to property described in this paragraph or in paragraph (A) or (B).

Note 14 Income or loss from property of a particular corporation, for the purposes of calculating the corporation's adjusted aggregate investment income, includes income or loss from a specified investment business, as well as all amounts in respect of a life insurance policy that are included in computing the corporation's income for the year (even if those amounts were not included in the computation of the corporation's aggregate investment income in Part 1).

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Schedule 8

Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2020-12-31

For more information, see the section called "Capital Cost Allowance" in the T2 Corporation Income Tax Guide.

Is the corporation electing under Regulation 1101(5q)? **101** Yes ☐ No ☒

	1 Class number * See note 1 **200**	Description	2 Undepreciated capital cost (UCC) at the beginning of the year **201**	3 Cost of acquisitions during the year (new property must be available for use) See note 2 **203**	4 Cost of acquisitions from column 3 that are accelerated investment incentive properties (AIIP) or zero-emission vehicle (ZEV) See note 3 **225**	5 Adjustments and transfers See note 4 **205**	6 Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition See note 5 **221**	7 Amount from column 5 that is repaid during the year for a property, subsequent to its disposition See note 6 **222**	8 Proceeds of dispositions See note 7 **207**	9 UCC (column 2 **plus** column 3 **plus** or **minus** column 5 **minus** column 8) See note 8
1.	1	Buildings	20,372,305						0	20,372,305
2.	8	Equipment and tools	1,250,676	262,130	262,130				0	1,512,806
3.	10	Rolling stock and vehicles	387,973	18,630	18,630				0	406,603
4.	45	Computer equipment and software	47						0	47
5.	47	Electrical energy distribution	25,501,468	3,711,652	3,711,652				39,000	29,174,120
6.	50	Computer equipment	138,390	330,269	330,269				0	468,659
7.	14.1		175,695						0	175,695
8.	1b	Building	213,176	69,709	69,709				0	282,885
9.	95	WIP	3,737,000	1,384,000	1,384,000				0	5,121,000
		Totals	51,776,730	5,776,390	5,776,390				39,000	57,514,120

	1 Class number * See note 1 **200**	Description	10 Proceeds of disposition available to reduce the UCC of AIIP and ZEV (column 8 **plus** column 6 **minus** column 3 **plus** column 4 **minus** column 7) (if negative, enter "0")	11 Net capital cost additions of AIIP and ZEV acquired during the year (column 4 **minus** column 10) (if negative, enter "0")	12 UCC adjustment for AIIP and ZEV acquired during the year (column 11 **multiplied** by the relevant factor) See note 9	13 UCC adjustment for property acquired during the year other than AIIP and ZEV (0.5 **multiplied** by the result of column 3 **minus** column 4 **minus** column 6 **plus** column 7 **minus** column 8) (if negative, enter "0") See note 10 **224**	14 CCA rate % See note 11 **212**	15 Recapture of CCA See note 12 **213**	16 Terminal loss See note 13 **215**	17 CCA (for declining balance method, the result of column 9 **plus** column 12 **minus** column 13, **multiplied** by column 14 or a lower amount) See note 14 **217**	18 UCC at the end of the year (column 9 **minus** column 17) **220**
1.	1	Buildings					4	0	0	814,892	19,557,413
2.	8	Equipment and tools		262,130	131,065		20	0	0	328,774	1,184,032

	1 Class number * See note 1 200	Description	10 Proceeds of disposition available to reduce the UCC of AIIP and ZEV (column 8 **plus** column 6 **minus** column 3 **plus** column 4 **minus** column 7) (if negative, enter "0")	11 Net capital cost additions of AIIP and ZEV acquired during the year (column 4 **minus** column 10) (if negative, enter "0")	12 UCC adjustment for AIIP and ZEV acquired during the year (column 11 **multiplied** by the relevant factor) See note 9	13 UCC adjustment for property acquired during the year other than AIIP and ZEV (0.5 **multiplied** by the result of column 3 **minus** column 4 **minus** column 6 **plus** column 7 **minus** column 8) (if negative, enter "0") See note 10 224	14 CCA rate % See note 11 212	15 Recapture of CCA See note 12 213	16 Terminal loss See note 13 215	17 CCA (for declining balance method, the result of column 9 **plus** column 12 **minus** column 13, **multiplied** by column 14 or a lower amount) See note 14 217	18 UCC at the end of the year (column 9 **minus** column 17) 220
3.	10	Rolling stock and vehicles		18,630	9,315		30	0	0	124,775	281,828
4.	45	Computer equipment and softw					45	0	0	21	26
5.	47	Electrical energy distribution	39,000	3,672,652	1,836,326		8	0	0	2,480,836	26,693,284
6.	50	Computer equipment		330,269	165,135		55	0	0	348,587	120,072
7.	14.1						5	0	0	12,299	163,396
8.	1b	Building		69,709	34,855		6	0	0	19,064	263,821
9.	95	WIP		1,384,000	692,000		0	0	0		5,121,000
		Totals	39,000	5,737,390	2,868,696					4,129,248	53,384,872

Enter the total of column 15 on line 107 of Schedule 1.
Enter the total of column 16 on line 404 of Schedule 1.
Enter the total of column 17 on line 403 of Schedule 1.

Note 1. If a class number has not been provided in Schedule II of the Income Tax Regulations for a particular class of property, use the subsection provided in Regulation 1101. Class numbers followed by a letter indicate the basic rate of the class taking into account the additional deduction allowed. Class 1a: 4% + 6% = 10% (class 1 to 10%), class 1b: 4% + 2% = 6% (class 1 to 6%).

Note 2. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions of property in the class that are not subject to the 50% rule. See Income Tax Folio S3-F4-C1, General Discussion of Capital Cost Allowance, for exceptions to the 50% rule.

Note 3. An AIIP is a property (other than ZEV) that you acquired after November 20, 2018 and became available for use before 2028. ZEV is, subject to certain exceptions, a new motor vehicle included in Class 54 or 55 that you acquired after March 18, 2019 and became available for use before 2028. The Government proposes to create Class 56 for zero-emission automotive equipment and vehicles that currently do not benefit from the accelerated rate provided by Classes 54 and 55. Class 56 would apply to eligible zero-emission automotive equipment and vehicles that are acquired after March 1, 2020, and became available for use before 2028. Columns 4, 10, 11, 12 and 13 also apply for additions of class 56 property. See the T2 Corporation Income Tax Guide for more information.

Note 4. Enter in column 5, "Adjustments and transfers", amounts that increase or reduce the undepreciated capital cost (column 9). Items that increase the undepreciated capital cost include amounts transferred under section 85, or transferred on amalgamation or winding-up of a subsidiary. Items that reduce the undepreciated capital cost (show amounts that reduce the undepreciated capital cost in brackets) include government assistance received or entitled to be received in the year, or a reduction of capital cost after the application of section 80. See the T2 Corporation Income Tax Guide for other examples of adjustments and transfers to include in column 5.
Also include the UCC of each property acquired in a non-arm's length transaction (other than by virtue of a right referred to in paragraph 251(5)(b) of the Act) if the property was a depreciable property continuously owned by the transferor for at least 364 days before the end of your tax year.

Note 5. Include all amounts of assistance you received (or were entitled to receive) after the disposition of a depreciable property that would have decreased the capital cost of the property by virtue of paragraph 13(7.1)(f) if received before the disposition.

Note 6. Include all amounts you have repaid during the year with respect to any legally required repayment, made after the disposition of a corresponding property, of:
- assistance that would have otherwise increased the capital cost of the property under paragraph 13(7.1)(d) and
- an inducement, assistance or any other amount contemplated in paragraph 12(1)(x) received, that otherwise would have increased the capital cost of the property under paragraph 13(7.4)(b)

Also include the UCC of each property of a prescribed class acquired in the course of a corporate reorganization described under paragraph 55(3)(b) of the Act (also known as "butterfly reorganization") or in a non-arm's length transaction (other than by virtue of a right referred to in paragraph 251(5)(b) of the Act) if the property was a depreciable property acquired by the transferor less than 364 days before the end of your tax year.

Note 7. For each property disposed of during the year, deduct from the proceeds of disposition any outlays and expenses to the extent that they were made or incurred for the purpose of making the disposition(s). The amount reported in respect of the property cannot exceed the property's capital cost, unless that property is a timber resource property as defined in subsection 13(21).
The proceeds of disposition of a ZEV that has been included in Class 54 and that is subject to the $55,000 (plus sales taxes) capital cost limit will be adjusted based on a factor equal to the capital cost limit of $55,000 (plus sales taxes) as a proportion of the actual cost of the vehicle.

Note 8. If the amount in column 5 reduces the undepreciated capital cost (i.e. it is shown in brackets), you must subtract it for the purposes of the calculation. Otherwise, add the amount in column 5 for the purposes of the calculation.

Note 9. The relevant factors for property of a class in Schedule II, that is AIIP or included in Classes 54 to 56, available for use before 2024 are:
- 2 1/3 for property in Classes 43.1, 54 and 56
- 1 1/2 for property in Class 55
- 1 for property in Classes 43.2 and 53
- 0 for property in Classes 12, 13, 14, and 15, as well as properties that are Canadian vessels included in paragraph 1100(1)(v) of the Regulations (see note 14 for additional information) and
- 0.5 for all other property that is AIIP

Note 10. The UCC adjustment for property acquired during the year other than AIIP and ZEV (formerly known as the half-year rule or 50% rule) does not apply to certain property (including AIIP). For special rules and exceptions, see Income Tax Folio S3-F4-C1, General Discussion of Capital Cost Allowance.

Note 11. Enter a rate only if you are using the declining balance method. For any other method (for example the straight-line method, where calculations are always based on the cost of acquisitions), enter N/A. Then enter the amount you are claiming in column 17.

Note 12. If the amount in column 9 is negative, you have a recapture of CCA. If applicable, enter the negative amount from column 9 in column 15 as a positive. The recapture rules do not apply to passenger vehicles in Class 10.1.

Note 13. If no property is left in the class at the end of the tax year and there is still a positive amount in the column 9, you have a terminal loss. If applicable, enter the positive amount from column 9 in column 16. The terminal loss rules do not apply to:
- passenger vehicles in Class 10.1
- property in Class 14.1, unless you have ceased carrying on the business to which it relates or
- limited-period franchises, concessions, or licences in Class 14 if, at the time of acquisition, the property was a former property of the transferor or any similar property attributable to the same fixed place of business, and you had jointly elected with the transferor to have the replacement property rules apply

Note 14. If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See the T2 Corporation Income Tax Guide for more information. For property in class 10.1 disposed of during the year, deduct a maximum of 50% of the regular CCA deduction if you owned the property at the beginning of the tax year. For AIIP listed below, the maximum first year allowance you can claim is determined as follows:
- Class 13: the lesser of 150% of the amount calculated in Schedule III of the Regulations and the UCC at the end of the tax year (before any CCA deduction)
- Class 14: the lesser of 150% of the allocation for the year of the capital cost of the property apportioned over the remaining life of the property (at the time the cost was incurred) and the UCC at the end of the tax year (before any CCA deduction)
- Class 15: the lesser of 150% of an amount computed on the basis of a rate per cord, board foot or cubic metre cut in the tax year and the UCC at the end of the tax year (before any CCA deduction)
- Canadian vessels described under paragraph 1100(1)(v) of the Regulations: the lesser of 50% of the capital cost of the property and the UCC at the end of the tax year (before any CCA deduction)
- Class 41.2: use a 25% CCA rate. The additional allowance under paragraph 1100(1)(y.2)(for single mine properties) and 1100(1)(ya.2)(for multiple mine properties) of the Regulations is not eligible for the accelerated investment incentive. The additional allowance in respect of natural gas liquefaction under paragraph 1100(1)(yb) of the Regulations is eligible for the accelerated investment incentive

The AIIP also apply to property (other than a timber resource property) that is a timber limit or a right to cut timber from a limit as well as to industrial mineral mine or a right to remove minerals from an industrial mineral mine. See the Income Tax Regulations for more detail.

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SCHEDULE 9

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
InnPower Corporation	89242 2817 RC0001	2020-12-31

- Complete this schedule if the corporation is related to or associated with at least one other corporation.
- For more information, see the *T2 Corporation Income Tax Guide*.

	Name 100	Country of residence (other than Canada) 200	Business number (see note 1) 300	Relationship code (see note 2) 400	Number of common shares you own 500	% of common shares you own 550	Number of preferred shares you own 600	% of preferred shares you own 650	Book value of capital stock 700
1.	Innservices Utilities Inc.		81689 7326 RC0001	3					
2.	Town of Innisfil		NR	1					
3.	Innterprises Inc.		86556 4595 RC0001	3					

Note 1: Enter "NR" if the corporation is not registered or does not have a business number.
Note 2: Enter the code number of the relationship that applies from the following order: 1 - Parent 2 - Subsidiary 3 - Associated 4 - Related but not associated

T2 SCH 9 (11)

Canada

Continuity of financial statement reserves (not deductible)

Financial statement reserves (not deductible)

	Description	Balance at the beginning of the year	Transfer on an amalgamation or the wind-up of a subsidiary	Add	Deduct	Balance at the end of the year
1	Post retirement benefits	100,083		31,000		131,083
2						
	Reserves from Part 2 of Schedule 13					
	Totals	100,083		31,000		131,083

The total opening balance plus the total transfers should be entered on line 414 of Schedule 1 as a deduction.
The total closing balance should be entered on line 126 of Schedule 1 as an addition.

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Schedule 23

Agreement Among Associated Canadian-Controlled Private Corporations to Allocate the Business Limit

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

Column 1: Enter the legal name of each of the corporations in the associated group, including those deemed to be associated under subsection 256(2) of the Income Tax Act.

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

Column 3: Enter the association code from the list below 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** as referred to in subsection 256(2) and has filed Schedule 28, Election not to be Associated Through a Third Corporation
3 – Non-CCPC that is a **third corporation**
4 – Associated non-CCPC
5 – Associated CCPC to which association code 1 does not apply because a **third corporation** has filed Schedule 28

Column 4: Enter the business limit for the year of each corporation in the associated group. Enter "0" if the corporation has association code 2, 3 or 4 in column 3 (except if the corporation is a cooperative or a credit union eligible for the SBD and it has association code 4).

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

Column 6: Enter the business limit allocated to each corporation by multiplying the amount in column 4 by the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A.

Ensure that the total at line A does not exceed $500,000.

Allocating the business limit

Date filed (do not use this area) . . . . . . **025** Year Month Day

Enter the calendar year the agreement applies to . . . . . . **050** Year 2020

Is this an amended agreement for the above calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? . . . . . . **075** ☐ Yes ☒ No

	1 Name of associated corporations **100**	2 Business number of associated corporations **200**	3 Association code **300**	4 Business limit for the year before the allocation $	5 Percentage of the business limit % **350**	6 Business limit allocated* $ **400**	
1	InnPower Corporation	89242 2817 RC0001	1	500,000			
2	Innservices Utilities Inc.	81689 7326 RC0001	1	500,000			
3	Town of Innisfil	NR	1	500,000			
4	Innterprises Inc.	86556 4595 RC0001	1	500,000	100.0000	500,000	
				Total	100.0000	500,000	A

Business limit reduction under subsection 125(5.1) of the Act

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the factors used in this calculation is the "large corporation amount" at line 415 of the T2 return. The amount at line 415 is determined using the formula 0.225% x (C - $10,000,000). Another factor is the "adjusted aggregate investment income" from lines 744 and 745 of Schedule 7, Aggregate Investment Income and Income Eligible for the Small Business Deduction. Details of these formulas and variable C are in subsection 125(5.1) of the Act.

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

Special rules for business limit

Special rules apply under subsection 125(5) if a CCPC has more than one tax year ending in the same calendar year and it is associated in more than one of those tax years with another CCPC that has a tax year ending in that calendar year. The business limit for the second or later tax year will be equal to the lesser of: the business limit determined for the first tax year ending in the calendar year or the business limit determined for the second or later tax year ending in the same calendar year.

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Schedule 31

Investment Tax Credit – Corporations

General information

- Use this schedule:
  - to calculate an investment tax credit (ITC) earned during the tax year
  - to claim a deduction against Part I tax payable
  - to claim a refund of credit earned during the current tax year
  - to claim a carryforward of credit from previous tax years
  - to transfer a credit following an amalgamation or the wind-up of a subsidiary, as described under subsections 87(1) and 88(1)
  - to request a credit carryback to one or more previous years
  - if you are subject to a recapture of ITC
  - if you are claiming:
    - the **Ontario Research and Development Tax Credit**
    - the **Ontario Innovation Tax Credit**
- Unless otherwise stated, all legislative references are to the Income Tax Act and the Income Tax Regulations.
- The ITC is eligible for a three-year carryback (if not deductible in the year earned). It is also eligible for a twenty-year carryforward.
- Investments or expenditures, described in subsection 127(9) and Regulation Part XLVI, that currently earn an ITC are:
  - qualified property and qualified resource property (Parts 4 to 7 of this schedule)
  - qualified scientific research and experimental development (SR&ED) expenditures (Parts 8 to 17). File Form T661, Scientific Research and Experimental Development (SR&ED) Expenditures Claim
  - pre-production mining expenditures (Part 18)
    - You can no longer claim the ITC for the pre-production mining expenditures. Only unused credits that have not expired can be carried forward for up to 20 tax years following the tax year in which you made the investment.
  - apprenticeship job creation expenditures (Parts 19 to 21)
  - child care spaces expenditures (Parts 22 to 26)
    - Expenditures related to child care spaces incurred after March 21, 2017 no longer qualify for the ITC. However, if you entered into a written agreement before March 22, 2017, eligible expenditures incurred before 2020 remain eligible for the credit.
- File this schedule with the T2 Corporation Income Tax Return. If you need more space, attach additional schedules.
- For more information on ITCs, see "Investment Tax Credit" in Guide T4012, T2 Corporation – Income Tax Guide and read Information Circular IC78-4, Investment Tax Credit Rates, and its related Special Release.
- For more information on SR&ED, see guide T4088, Scientific Research and Experimental Development (SR&ED) Expenditures Claim – Guide to Form T661.

Detailed information

- For the purpose of this schedule, **investment** means the capital cost of the property (excluding amounts added by an election under section 21), determined without reference to subsections 13(7.1) and 13(7.4), minus the amount of any government or non-government assistance that the corporation has received, is entitled to receive, or can reasonably be expected to receive for that property at the time it files the income tax return for the year in which the property was acquired.
- An ITC deducted in a tax year for a depreciable property, other than a depreciable property deductible under paragraph 37(1)(b), reduces both the capital cost of that property and the undepreciated capital cost of that class in the next tax year. An ITC for SR&ED deducted or refunded in a tax year will reduce the balance in the pool of deductible SR&ED expenditures and the adjusted cost base (ACB) of an interest in a partnership in the next tax year. An ITC from pre-production mining expenditures deducted in a tax year reduces the balance in the pool of deductible cumulative Canadian exploration expenses in the next tax year.
- Property acquired has to be **available for use** before a claim for an ITC can be made. See subsections 127(11.2) and 248(19) for more information.
- Expenditures for SR&ED qualifying for an ITC must be identified by the claimant on Form T661 and Schedule 31 no later than 12 months after the claimant's income tax return is due for the tax year in which it incurred the expenditures.
- Expenditures for apprenticeship or child care space for an ITC must be identified by the claimant on Schedule 31 no later than 12 months after the claimant's income tax return is due for the tax year in which it incurred the expenditures or capital costs.
- Partnership allocations – Subsection 127(8) provides for the allocation of the amount that may reasonably be considered to be a partner's share of the ITCs of the partnership at the end of the fiscal period of the partnership. An allocation of ITCs is generally considered to be the partner's reasonable share of the ITCs if it is made in the same proportion in which the partners have agreed to share any income or loss and if section 103 is not applicable for the agreement to share any income or loss. Special rules apply to specified members of a partnership and limited partners. For more information, see Guide T4068, Guide for the Partnership Information Return (T5013 Forms).
- For tax purposes**,** Canada includes the **exclusive economic zone of Canada** as defined in the Oceans Act (which generally consists of an area of the sea that is within 200 nautical miles from the Canadian coastline), including the airspace, seabed and subsoil of that zone.
- For the purpose of this schedule, the expression **Atlantic Canada** includes the Gaspé Peninsula and the provinces of Newfoundland and Labrador, Prince Edward Island, Nova Scotia, and New Brunswick, as well as their respective offshore regions (prescribed in Regulation 4609).

Detailed information (continued)

- For the purpose of this schedule, **qualified property** means property in Atlantic Canada that is used primarily for manufacturing and processing, farming or fishing, logging, storing grain, or harvesting peat. Property in Atlantic Canada that is used primarily for oil and gas, and mining activities is considered qualified property only if acquired by the taxpayer **before** March 29, 2012, unless transitional measures were granted*. Qualified property includes new buildings and new machinery and equipment (prescribed in Regulation 4600), and new energy generation and conservation property (prescribed in Regulation 4600). Qualified property can also be used primarily to produce or process electrical energy or steam in a prescribed area (as described in Regulation 4610). See the definition of **qualified property** in subsection 127(9) for more information.
- For the purpose of this schedule, **qualified resource property** means property in Atlantic Canada that is used primarily for oil and gas, and mining activities, if acquired by the taxpayer **after** March 28, 2012, and **before** January 1, 2016. Qualified resource property includes new buildings and new machinery and equipment (prescribed in Regulation 4600). See the definition of **qualified resource property** in subsection 127(9) for more information.

Part 1 – Investments, expenditures, and percentages

Investments	**Specified percentage**
Qualified property acquired primarily for use in Atlantic Canada	10 %
Qualified resource property acquired primarily for use in Atlantic Canada and acquired:	
– after March 28, 2012, and before 2014	10 %
– after 2013 and before 2016	5 %
– after 2015*	0 %
Expenditures	
If you are a Canadian-controlled private corporation (CCPC), this percentage may apply to the portion that you claim of the SR&ED qualified expenditure pool that does not exceed your expenditure limit (see Part 10)	35 %
Note: If your current year's qualified expenditures are more than your expenditure limit (see Part 10), the excess is eligible for an ITC calculated at the 15% rate.	
If you are a corporation that is not a CCPC and have incurred qualified expenditures for SR&ED in any area in Canada	15 %
If you paid salary and wages to apprentices in the first 24 months of their apprenticeship contract for employment	10 %
If you incurred expenditures after March 18, 2007, and before March 22, 2017 (or before 2020 if you entered into a written agreement before March 22, 2017) for the creation of licensed child care spaces for the children of your employees and, potentially, for other children	25 %

* A transitional relief rate of 10% may apply to property acquired after 2013 and before 2017, if the property is acquired under a written agreement entered into before March 29, 2012, or the property is acquired as part of a **phase** of a project where the construction or the engineering and design work for the construction started before March 29, 2012. See paragraph (a.1) of the definition of **specified percentage** in subsection 127(9) for more information.

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2020-12-31

Part 2 – Determination of a qualifying corporation

Is the corporation a qualifying corporation? . . . . **101** 1 Yes ☐ 2 No ☒

For the purpose of a refundable ITC, a **qualifying corporation** is defined under subsection 127.1(2). The corporation has to be a CCPC and its taxable income (before any loss carrybacks) for its previous tax year cannot be more than its **qualifying income limit** for the particular tax year. If the corporation is associated with any other corporations during the tax year, the total of the taxable incomes of the corporation and the associated corporations (before any loss carrybacks), for their last tax year ending in the previous calendar year, cannot be more than their qualifying income limit for the particular tax year.

Note: A CCPC considered associated with another corporation under subsection 256(1) will be considered **not** associated for the calculation of a refundable ITC if both of the following conditions are met:
- one corporation is associated with another corporation only because one or more persons own shares of the capital stock of both corporations
- one of the corporations has at least one shareholder who is not common to both corporations

If you are a **qualifying** corporation, you will earn a **100%** refund on your share of any ITCs earned at the 35% rate on qualified expenditures for SR&ED, up to the allocated expenditure limit.

Some CCPCs that are **not qualifying** corporations may also earn a **100%** refund on their share of any ITCs earned at the 35% rate on qualified expenditures for SR&ED, up to the allocated expenditure limit. The expenditure limit can be determined in Part 10.

The 100% refund will not be available to a corporation that is an **excluded corporation** as defined under subsection 127.1(2). A corporation is an excluded corporation if, at any time during the year, it is a corporation that is either controlled by (directly or indirectly, in any manner whatever) or is related to one of the following:

a) one or more persons exempt from Part I tax under section 149

b) Her Majesty in right of a province, a Canadian municipality, or any other public authority

c) any combination of persons referred to in a) or b) above

Part 3 – Corporations in the farming industry

Complete this area if the corporation is making SR&ED contributions.

Is the corporation claiming a contribution in the current year to an agricultural organization whose goal is to finance SR&ED work (for example, check-off dues)? . . . . **102** 1 Yes ☐ 2 No ☒

If **yes**, complete Schedule 125, Income Statement Information, to identify the type of farming industry the corporation is involved in.

Contributions to agricultural organizations for SR&ED* . . . . ________ x 80 % = **103** ________
Enter on line 350 of Part 8.

* Enter only contributions not already included on Form T661.

Qualified Property and Qualified Resource Property

Part 4 – Eligible investments for qualified property and qualified resource property from the current tax year

Capital cost allowance class number **105**	Description of investment **110**	Date available for use **115**	Location used in Atlantic Canada (province) **120**	Amount of investment **125**

Total of investments for qualified property and qualified resource property ________ A1

Part 5 – Current-year credit and account balances – ITC from investments in qualified property and qualified resource property

ITC at the end of the previous tax year				B1
Credit deemed as a remittance of co-op corporations	210			
Credit expired	215			
Subtotal (line 210 **plus** line 215)			►	C1
ITC at the beginning of the tax year (amount B1 **minus** amount C1)			220	
Credit transferred on an amalgamation or the wind-up of a subsidiary	230			
ITC from repayment of assistance	235			
Qualified property; and qualified resource property acquired after March 28, 2012, and before January 1, 2014* (applicable part from amount A1 in Part 4) ______ x 10 % =	240			
Qualified resource property acquired after December 31, 2013, and before January 1, 2016 (applicable part from amount A1 in Part 4) ______ x 5 % =	242			
Credit allocated from a partnership	250			
Subtotal (total of lines 230 to 250)			►	D1
Total credit available (line 220 **plus** amount D1)				E1
Credit deducted from Part I tax	260			
Credit carried back to previous years (amount H1 in Part 6)			a	
Credit transferred to offset Part VII tax liability	280			
Subtotal (total of line 260, amount a, and line 280)			►	F1
Credit balance before refund (amount E1 **minus** amount F1)				G1
Refund of credit claimed on investments from qualified property and qualified resource property (from Part 7)			310	
ITC closing balance of investments from qualified property and qualified resource property (amount G1 **minus** line 310)			320	

* Include investments acquired after 2013 and before 2017 that are eligible for transitional relief.

Part 6 – Request for carryback of credit from investments in qualified property and qualified resource property

	Year	Month	Day			
1st previous tax year				Credit to be applied	901	
2nd previous tax year				Credit to be applied	902	
3rd previous tax year				Credit to be applied	903	
				Total of lines 901 to 903 Enter at amount a in Part 5.		H1

Part 7 – Refund of ITC for qualifying corporations on investments from qualified property and qualified resource property

Current-year ITCs (total of lines 240, 242, and 250 in Part 5)	I1
Credit balance before refund (from amount G1 in Part 5)	J1
Refund (40 % of amount I1 or J1, whichever is less)	K1

Enter amount K1 or a lesser amount on line 310 in Part 5 (also enter on line 780 of the T2 return if you do not claim an SR&ED ITC refund).

SR&ED

Part 8 – Qualified SR&ED expenditures

Current expenditures (from line 559 on Form T661)		127,465		
Contributions to agricultural organizations for SR&ED				
Deduct: Government assistance, non-government assistance, or contract payment				
Subtotal				
x	80 %			
Contributions to agricultural organizations for SR&ED for the federal ITC (this amount is updated to line 103 of Part 3. For more details, consult the Help.)*		+		
Qualified SR&ED expenditures (line 559 on Form T661 **plus** line 103 in Part 3)*		127,465	350	127,465
Repayments made in the year (from line 560 on Form T661)			370	
Total qualified SR&ED expenditures (line 350 **plus** line 370)			380	127,465

* If you are claiming only contributions made to agricultural organizations for SR&ED, line 350 should equal line 103 in Part 3. Do not file Form T661.

Part 9 – Components of the SR&ED expenditure limit calculation

Part 9 only applies if you are a CCPC.

Note: A CCPC considered associated with another corporation under subsection 256(1) will be considered not associated for the calculation of an SR&ED expenditure limit if both of the following apply:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of the corporation
- one of the corporations has at least one shareholder who is not common to both corporations

Is the corporation associated with another CCPC for the purpose of calculating the SR&ED expenditure limit? 385 — 1 Yes [X] 2 No [ ]

If you answered **no** to the question on line 385 or if you are not associated with any other corporations, complete lines 390 and 398.
If you answered **yes**, complete Schedule 49, Agreement Among Associated Canadian-Controlled Private Corporations to Allocate the Expenditure Limit, to determine the amounts for associated corporations.

Enter your taxable income for the previous tax year* (prior to any loss carrybacks applied) 390 ______

Enter your taxable capital employed in Canada for the previous tax year **minus** $10 million. If this amount is nil or negative, enter "0". If this amount is over $40 million, enter $40 million 398 ______

* If the tax year referred to on line 390 is less than 51 weeks, **multiply** the taxable income by the following result: 365 **divided** by the number of days in that tax year.

Part 10 – SR&ED expenditure limit for a CCPC

For a stand-alone (not associated) corporation		$ **8,000,000**	
Taxable income for the previous tax year (line 390 in Part 9) or $500,000, whichever is more	x 10 =		A2
Excess ($8,000,000 **minus** amount A2; if negative, enter "0")			B2
$ 40,000,000 **minus** line 398 in Part 9	b		
Amount b **divided** by $ 40,000,000			C2
For tax years ending before March 19, 2019 Amount B2 **multiplied** by amount C2			D2
For tax years ending after March 18, 2019 **multiplied** by amount C2			E2
Expenditure limit for the stand-alone corporation (amount D2 or amount E2, whichever applies)*			F2
For an associated corporation: If associated, the allocation of the SR&ED expenditure limit, as provided on Schedule 49*	400		G2

If your tax year is less than 51 weeks, calculate the amount of the expenditure limit as follows:

Amount F2 or G2 ______ x Number of days in the tax year 366 / 365 = ______ H2

Your SR&ED expenditure limit for the year (enter amount F2, G2, or H2, whichever applies) 410 ______

* Amount F2 or G2 cannot be more than $3,000,000.

Part 11 – Investment tax credits on SR&ED expenditures

Qualified SR&ED expenditures (from line 350 in Part 8) or the expenditure limit (from line 410 in Part 10), whichever is less*	420		x	35 %	=		I2
Line 350 **minus** line 410 (if negative, enter "0")	430	127,465	x	15 %	=	19,120	J2

If a corporation makes a repayment of any government or non-government assistance, or contract payments that reduced the amount of qualified expenditures for ITC purposes, the amount of the repayment is eligible for a credit.

Repayments (amount from line 370 in Part 8) . . . . . ______

Enter the amount of the repayment on the line that corresponds to the appropriate rate.

Repayment of assistance that reduced a qualifying expenditure for a CCPC**	460		x	35 %	=		c		
Repayment of assistance made after September 16, 2016 that reduced a qualifying expenditure incurred before 2015	480		x	20 %	=		d		
Repayment of assistance made after September 16, 2016 that reduced a qualifying expenditure incurred after 2014	490		x	15 %	=		e		
				Subtotal (total of amounts c to e)			▶		K2
Current-year SR&ED ITC (total of amounts I2 to K2; enter on line 540 in Part 12)								19,120	L2

* For corporations that are not CCPCs, enter "0" for amount I2.

** If you were a Canadian-controlled private corporation (CCPC), this percentage was applied to the portion that you claimed of the SR&ED qualified expenditure pool that did not exceed your expenditure limit at the time. This percentage includes the rate under subsection 127(10.1), **Additions to investment tax credit**. See subsection 127(10.1) for details about exceptions. For expenditures not eligible for this rate use line 480 or 490 as appropriate.

Part 12 – Current-year credit and account balances – ITC from SR&ED expenditures

ITC at the end of the previous tax year						M2
Credit deemed as a remittance of co-op corporations	510					
Credit expired	515					
Subtotal (line 510 **plus** line 515)			▶			N2
ITC at the beginning of the tax year (amount M2 **minus** amount N2)				520		
Credit transferred on an amalgamation or the wind-up of a subsidiary	530					
Total current-year credit (from amount L2 in Part 11)	540	19,120				
Credit allocated from a partnership	550					
Subtotal (total of lines 530 to 550)		19,120	▶		19,120	O2
Total credit available (line 520 **plus** amount O2)					19,120	P2
Credit deducted from Part I tax	560	19,120				
Credit carried back to previous years (amount S2 in Part 13)			f			
Credit transferred to offset Part VII tax liability	580					
Subtotal (total of line 560, amount f, and line 580)		19,120	▶		19,120	Q2
Credit balance before refund (amount P2 **minus** amount Q2)						R2
Refund of credit claimed on SR&ED expenditures (from Part 14 or 15, whichever applies)				610		
ITC closing balance on SR&ED (amount R2 **minus** line 610)				620		

Part 13 – Request for carryback of credit from SR&ED expenditures

	Year	Month	Day			
1st previous tax year				Credit to be applied	911	
2nd previous tax year				Credit to be applied	912	
3rd previous tax year				Credit to be applied	913	

Total of lines 911 to 913 ______ S2
Enter at amount f in Part 12.

Part 14 – Refund of ITC for qualifying corporations – SR&ED

Complete this part only if you are a qualifying corporation as determined on line 101 in Part 2.

Is the corporation an excluded corporation as defined under subsection 127.1(2)? . . . 650 1 Yes ☐ 2 No ☒

Current-year ITC (lines 540 **plus** 550 in Part 12 **minus** amount K2 in Part 11) . . . ______ g

Refundable credits (amount g or amount R2 in Part 12, whichever is less)* . . . ______ T2

Amount T2 or amount I2 in Part 11, whichever is less . . . ______ U2

Net amount (amount T2 **minus** amount U2; if negative, enter "0") . . . ______ V2

Amount V2 **multiplied** by 40 % . . . ______ W2

Amount U2 . . . ______ X2

Refund of ITC (amount W2 **plus** amount X2 – enter this, or a lesser amount, on line 610 in Part 12) . . . ______ Y2

Enter the total of line 310 in Part 5 and line 610 in Part 12 on line 780 of the T2 return.

* If you are also an excluded corporation, as defined in subsection 127.1(2), this amount must be multiplied by 40%. Claim this, or a lesser amount, as your refund of ITC for amount Y2.

Part 15 – Refund of ITC for CCPCs that are not qualifying or excluded corporations – SR&ED

Complete this part only if you are a CCPC that is not a qualifying or excluded corporation as determined on line 101 in Part 2.

Credit balance before refund (amount R2 in Part 12) . . . ______ Z2

Refund of ITC (amount Z2 or amount I2 in Part 11, whichever is less) . . . ______ AA2

Enter amount AA2, or a lesser amount, on line 610 in Part 12 and also on line 780 of the T2 return.

Recapture – SR&ED

Part 16 – Recapture of ITC for corporations and partnerships – SR&ED

You will have a recapture of ITC in a year when **all** of the following conditions are met:

- you acquired a particular property in the current year or in any of the 20 previous tax years, and the credit was earned in a tax year ending after 1997 and did not expire before 2008
- you claimed the cost of the property as a qualified expenditure for SR&ED on Form T661
- the cost of the property was included in calculating your ITC or was the subject of an agreement made under subsection 127(13) to transfer qualified expenditures
- you disposed of the property or converted it to commercial use after February 23, 1998. This condition is also met if you disposed of or converted to commercial use a property that incorporates the particular property previously referred to

Note:

The recapture **does not apply** if you disposed of the property to a non-arm's-length purchaser who intended to use it all or substantially all for SR&ED. When the non-arm's-length purchaser later sells or converts the property to commercial use, the recapture rules will apply to the purchaser based on the historical ITC rate of the original user.

You will report a recapture on the T2 return for the year in which you disposed of the property or converted it to commercial use. In the following tax year, add the amount of the ITC recapture to the SR&ED expenditure pool.

If you have more than one disposition for calculations 1 and 2, complete the columns for each disposition for which a recapture applies, using the calculation formats below.

Calculation 1 – If you meet all of the above conditions

Amount of ITC you originally calculated for the property you acquired, or the original user's ITC where you acquired the property from a non-arm's length party, as described in the **note** above 700	Amount calculated using ITC rate at the date of acquisition (or the original user's date of acquisition) on either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value of the property (in any other case) 710	Amount from column 700 or 710, whichever is less

Subtotal Enter at amount C3 in Part 17. ______ A3

Calculation 2 – Only if you transferred all or a part of the qualified expenditure to another person under an agreement described in subsection 127(13); otherwise, enter nil at amount B3.

A Rate that the transferee used in determining its ITC for qualified expenditures under a subsection 127(13) agreement 720	B Proceeds of disposition of the property if you dispose of it to an arm's length person; or, in any other case, enter the fair market value of the property at conversion or disposition 730	C Amount, if any, already provided for in Calculation 1 (This allows for the situation where only part of the cost of a property is transferred under a subsection 127(13) agreement.) 740	D Amount determined by the formula (A x B) – C	E ITC earned by the transferee for the qualified expenditures that were transferred 750	F Amount from column D or E, whichever is less

Subtotal (total of column F) Enter at amount D3 in Part 17. ______ B3

Part 16 – Recapture of ITC for corporations and partnerships – SR&ED (continued)

Calculation 3

As a member of the partnership, you will report your share of the SR&ED ITC of the partnership after the SR&ED ITC has been reduced by the amount of the recapture. If this amount is a positive amount, you will report it on line 550 in Part 12. However, if the partnership does not have enough ITC otherwise available to offset the recapture, then the amount by which reductions to ITC exceed additions (the excess) will be determined and reported on line 760.

Corporate partner's share of the excess of SR&ED ITC Enter at amount E3 in Part 17.	760	

Part 17 – Total recapture of SR&ED investment tax credit

Recaptured ITC from calculation 1, amount A3 in Part 16		C3
Recaptured ITC from calculation 2, amount B3 in Part 16		D3
Recaptured ITC from calculation 3, line 760 in Part 16		E3
Total recapture of SR&ED investment tax credit (total of amounts C3 to E3) Enter at amount A8 in Part 27.		F3

Pre-Production Mining

Part 18 – Account balances – ITC from pre-production mining expenditures

ITC at the end of the previous tax year				A4
Credit deemed as a remittance of co-op corporations	841			
Credit expired	845			
Subtotal (line 841 **plus** line 845)			►	B4
ITC at the beginning of the tax year (amount A4 **minus** amount B4)		850		
Credit transferred on an amalgamation or the wind-up of a subsidiary		860		
Total credit available (line 850 **plus** line 860)				C4
Amount of unused credit carried forward from previous years and applied to reduce Part I tax payable in the current year		885		
ITC closing balance from pre-production mining expenditures (amount C4 **minus** line 885)		890		

Apprenticeship Job Creation

Part 19 – Total current-year credit – ITC from apprenticeship job creation expenditures

If you are a related person as defined under subsection 251(2), has it been agreed in writing that you are the only employer who will be claiming the apprenticeship job creation tax credit for this tax year for each apprentice whose contract number (or social insurance number (SIN) or name) appears below? (If not, you cannot claim the tax credit.) . . . . **611** 1 Yes ☐ 2 No ☐

For each apprentice in their first 24 months of the apprenticeship, enter the apprenticeship contract number registered with Canada, or a province or territory, under an apprenticeship program designed to certify or license individuals in the trade. For the province, the trade must be a Red Seal trade. If there is no contract number, enter the SIN or the name of the eligible apprentice.

A Contract number (SIN or name of apprentice) **601**	B Name of eligible trade **602**	C Eligible salary and wages* **603**	D Column C x 10 % **604**	E Lesser of column D or $ 2,000 **605**

Total current-year credit (total of column E) Enter on line 640 in Part 20. ______ A5

* Other than qualified expenditure incurred, and net of any other government or non-government assistance received or to be received. **Eligible salary and wages**, and **qualified expenditures** are defined under subsection 127(9).

Part 20 – Current-year credit and account balances – ITC from apprenticeship job creation expenditures

ITC at the end of the previous tax year . . . . ______ B5

Credit deemed as a remittance of co-op corporations . . . . **612** ______

Credit expired after 20 tax years . . . . **615** ______

Subtotal (line 612 **plus** line 615) ______ ► ______ C5

ITC at the beginning of the tax year (amount B5 **minus** amount C5) . . . . **625** ______

Credit transferred on an amalgamation or the wind-up of a subsidiary . . . . **630** ______

ITC from repayment of assistance . . . . **635** ______

Total current-year credit (amount A5 in Part 19) . . . . **640** ______

Credit allocated from a partnership . . . . **655** ______

Subtotal (total of lines 630 to 655) ______ ► ______ D5

Total credit available (line 625 **plus** amount D5) . . . . ______ E5

Credit deducted from Part I tax . . . . **660** ______

Credit carried back to previous years (amount G5 in Part 21) . . . . ______ h

Subtotal (line 660 **plus** amount h) ______ ► ______ F5

ITC closing balance from apprenticeship job creation expenditures (amount E5 **minus** amount F5) . . . . **690** ______

Part 21 – Request for carryback of credit from apprenticeship job creation expenditures

	Year	Month	Day			
1st previous tax year				Credit to be applied	**931**	
2nd previous tax year				Credit to be applied	**932**	
3rd previous tax year				Credit to be applied	**933**	

Total of lines 931 to 933 Enter at amount h in Part 20. ______ G5

Child Care Spaces

Part 22 – Eligible child care spaces expenditures

Enter the eligible expenditures that you incurred after March 18, 2007, and before March 22, 2017,* to create licensed child care spaces for the children of the employees and, potentially, for other children. You cannot be carrying on a child care services business. The eligible expenditures include:

- the cost of depreciable property (other than specified property)
- the specified child care start-up expenditures

Properties should be acquired and expenditures should be incurred only to create new child care spaces at a licensed child care facility.

Cost of depreciable property from the current tax year

	Capital cost allowance class number 665	Description of investment 675	Date available for use 685	Amount of investment 695
1.				

Total cost of depreciable property from the current tax year (total of column 695) **715** ______

Specified child care start-up expenditures from the current tax year . . . . . **705** ______

Total gross eligible expenditures for child care spaces (line 715 **plus** line 705) . . . . . ______ A6

Total of all assistance (including grants, subsidies, rebates, and forgivable loans) or reimbursements that the corporation has received or is entitled to receive in respect of the amounts referred to in amount A6 . . . . . **725** ______

Excess (amount A6 **minus** line 725) (if negative, enter "0") . . . . . ______ B6

Repayments by the corporation of government and non-government assistance . . . . . **735** ______

Total eligible expenditures for child care spaces (amount B6 **plus** line 735) . . . . . **745** ______

* If you entered into a written agreement before March 22, 2017, eligible expenditures incurred before 2020 will remain eligible for the credit.

Part 23 – Current-year credit – ITC from child care spaces expenditures

The credit is equal to 25% of eligible child care spaces expenditures incurred to a maximum of $10,000 per child care space created in a licensed child care facility.

Eligible expenditures (from line 745 in Part 22) . . . . . ______ x 25 % = ______ C6

Number of child care spaces . . . . . **755** ______ x $ 10,000 = ______ D6

ITC from child care spaces expenditures (amount C6 or D6, whichever is less) . . . . . ______ E6

Part 24 – Current-year credit and account balances – ITC from child care spaces expenditures

ITC at the end of the previous tax year				F6
Credit deemed as a remittance of co-op corporations	765			
Credit expired after 20 tax years	770			
Subtotal (line 765 **plus** line 770)			►	G6
ITC at the beginning of the tax year (amount F6 **minus** amount G6)			775	
Credit transferred on an amalgamation or the wind-up of a subsidiary	777			
Total current-year credit (amount E6 in Part 23)	780			
Credit allocated from a partnership	782			
Subtotal (total of lines 777 to 782)			►	H6
Total credit available (line 775 **plus** amount H6)				I6
Credit deducted from Part I tax	785			
Credit carried back to previous years (amount K6 in Part 25)			i	
Subtotal (line 785 **plus** amount i)			►	J6
ITC closing balance from child care spaces expenditures (amount I6 **minus** amount J6)			790	

Part 25 – Request for carryback of credit from child care space expenditures

	Year Month Day				
1st previous tax year	2019-12-31	Credit to be applied	941		
2nd previous tax year	2018-12-31	Credit to be applied	942		
3rd previous tax year	2017-12-31	Credit to be applied	943		
		Total of lines 941 to 943 Enter at amount i in Part 24.			K6

Recapture – Child Care Spaces

Part 26 – Recapture of ITC for corporations and partnerships – Child care spaces

The ITC will be recovered against the taxpayer's tax otherwise payable under Part I of the Act if, at any time within 60 months of the day on which the taxpayer acquired the property, one of the following situations takes place:

- the new child care space is no longer available
- property that was an eligible expenditure for the child care space is
  - disposed of or leased to a lessee
  - converted to another use

If the property disposed of is a child care space, the amount that can reasonably be considered to have been included in the original ITC (paragraph 127(27.12)(a)) . . . . **792** ______

In the case of eligible expenditures (paragraph 127(27.12)(b)), the lesser of:

The amount that can reasonably be considered to have been included in the original ITC . . . . **795** ______

25% of either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value (in any other case) of the property . . . . **797** ______

Amount from line 795 or line 797, whichever is less . . . . ______ A7

Partnerships

As a member of the partnership, you will report your share of the child care spaces ITC of the partnership after the child care spaces ITC has been reduced by the amount of the recapture. If this amount is a positive amount, you will report it on line 782 in Part 24. However, if the partnership does not have enough ITC otherwise available to offset the recapture, then the amount by which reductions to ITC exceed additions (the excess) will be determined and reported on line 799 below.

Corporate partner's share of the excess of ITC **799** ______

Total recapture of child care spaces investment tax credit (total of line 792, amount A7, and line 799) . . . . ______ B7
Enter at amount B8 in Part 27.

Summary of Investment Tax Credits

Part 27 – Total recapture of investment tax credit

Recaptured SR&ED ITC (amount F3 in Part 17)		A8
Recaptured child care spaces ITC (amount B7 in Part 26)		B8
Total recapture of investment tax credit (amount A8 **plus** amount B8)		C8

Enter on line 602 of the T2 return.

Part 28 – Total ITC deducted from Part I tax

ITC from investments in qualified property deducted from Part I tax (line 260 in Part 5)		D8
ITC from SR&ED expenditures deducted from Part I tax (line 560 in Part 12)	19,120	E8
ITC from pre-production mining expenditures deducted from Part I tax (line 885 in Part 18)		F8
ITC from apprenticeship job creation expenditures deducted from Part I tax (line 660 in Part 20)		G8
ITC from child care space expenditures deducted from Part I tax (line 785 in Part 24)		H8
Total ITC deducted from Part I tax (total of amounts D8 to H8)	19,120	I8

Enter on line 652 of the T2 return.

Summary of Investment Tax Credit Carryovers

Continuity of investment tax credit carryovers

CCA class number 99 Cur. or cap. R&D for ITC

Current year

Addition current year (A)	Applied current year (B)	Claimed as a refund (C)	Carried back (D)	ITC end of year (A-B-C-D)
19,120	19,120			

Prior years

Taxation year	ITC beginning of year (E)	Adjustments (F)	Applied current year (G)	ITC end of year (E-F-G)
2019-12-31				
2018-12-31				
2017-12-31				
2016-12-31				
2015-12-31				
2014-12-31				
2013-12-31				
2012-12-31				
2011-12-31				
2010-12-31				*
2009-12-31				
2008-12-31				
2007-12-31				
2006-12-31				
2005-12-31				
2004-12-31				
2003-12-31				
2002-12-31				
2001-12-31				
				*
Total				

B+C+D+G **Total ITC utilized** 19,120

* The **ITC end of year** includes the amount of ITC expired from the 10th preceding year if it is before January 1, 1998, or the amount of ITC expired from the 20th preceding year if it is after December 31, 1997. Note that this credit expires at the end of the tax year and any expired credit will be posted to line 215, 515, 615, 770 or 845, as applicable, in Schedule 31 the following year.

Canada Revenue Agency / Agence du revenu du Canada

Schedule 33

Taxable Capital Employed in Canada – Large Corporations

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2020-12-31

- Use this schedule in determining if the total taxable capital employed in Canada of the corporation (other than a financial institution or an insurance corporation) and its related corporations is greater than $10,000,000.
- If the total taxable capital employed in Canada of the corporation and its related corporations is greater than $10,000,000, file a completed Schedule 33 with your T2 *Corporation Income Tax Return* no later than six months from the end of the tax year.
- Unless otherwise noted, all legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 181(1) defines the terms **financial institution**, **long-term debt**, and **reserves**.
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part I.3 for its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or for a partnership in which it has an interest.
- If the corporation was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 4, **Taxable capital employed in Canada**.

Part 1 – Capital

Add the following year-end amounts:

	Line	Amount		
Reserves that have not been deducted in calculating income for the year under Part I	101	130,847		
Capital stock (or members' contributions if incorporated without share capital)	103	10,852,000		
Retained earnings	104	15,305,000		
Contributed surplus	105	1,600,000		
Any other surpluses	106			
Deferred unrealized foreign exchange gains	107			
All loans and advances to the corporation	108	752,000		
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109			
Any dividends declared but not paid by the corporation before the end of the year	110			
All other indebtedness of the corporation (other than any indebtedness for a lease) that has been outstanding for more than 365 days before the end of the year	111			
The total of all amounts, each of which is the amount, if any, in respect of a partnership in which the corporation held a membership interest at the end of the year, either directly or indirectly through another partnership (see note below)	112			
Subtotal (**add** lines 101 to 112)		28,639,847 ►	28,639,847	A

Note:

Line 112 is determined by the formula (A – B) x C/D (as per paragraph 181.2(3)(g)) where:

A is the total of all amounts that would be determined for lines 101, 107, 108, 109, and 111 in respect of the partnership for its last fiscal period that ends at or before the end of the year if
   a) those lines applied to partnerships in the same manner that they apply to corporations, and
   b) those amounts were computed without reference to amounts owing by the partnership
      (i) to any corporation that held a membership interest in the partnership either directly or indirectly through another partnership, or
      (ii) to any partnership in which a corporation described in subparagraph (i) held a membership interest either directly or indirectly through another partnership.

B is the partnership's deferred unrealized foreign exchange losses at the end of the period,

C is the share of the partnership's income or loss for the period to which the corporation is entitled either directly or indirectly through another partnership, and

D is the partnership's income or loss for the period.

Part 1 – Capital (continued)

Subtotal A (from page 1)		28,639,847 A
Deduct the following amounts:		
Deferred tax debit balance at the end of the year	121	
Any deficit deducted in calculating its shareholders' equity (including, for this purpose, the amount of any provision for the redemption of preferred shares) at the end of the year	122	
To the extent that the amount may reasonably be regarded as being included in any of lines 101 to 112 above for the year, any amount deducted under subsection 135(1) in calculating income under Part I for the year.	123	
Deferred unrealized foreign exchange losses at the end of the year	124	
Subtotal (**add** lines 121 to 124)	►	B
Capital for the year (amount A **minus** amount B) (if negative, enter "0")	190	28,639,847

Part 2 – Investment allowance

Add the carrying value at the end of the year of the following assets of the corporation:

A share of another corporation	401	
A loan or advance to another corporation (other than a financial institution)	402	3,888,000
A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution)	403	
Long-term debt of a financial institution	404	
A dividend payable on a share of the capital stock of another corporation	405	
A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim or similar obligation of, a partnership each member of which was, throughout the year, another corporation (other than a financial institution) that was not exempt from tax under this Part (otherwise than because of paragraph 181.1(3)(d)), or another partnership described in paragraph 181.2(4)(d.1)	406	
An interest in a partnership (see note 2 below)	407	
Investment allowance for the year (add lines 401 to 407)	490	3,888,000

Notes:

1. Lines 401 to 405 should not include the carrying value of a share of the capital stock of, a dividend payable by, or indebtedness of a corporation that is exempt from tax under Part I.3 (other than a non-resident corporation that at no time in the year carried on business in Canada through a permanent establishment).
2. Where the corporation has an interest in a partnership held either directly or indirectly through another partnership, refer to subsection 181.2(5) for additional rules regarding the carrying value of an interest in a partnership.
3. Where a trust is used as a conduit for loaning money from a corporation to another related corporation (other than a financial institution), the loan will be considered to have been made directly from the lending corporation to the borrowing corporation. Refer to subsection 181.2(6) for special rules that may apply.

Part 3 – Taxable capital

Capital for the year (line 190)		28,639,847 C
Deduct: Investment allowance for the year (line 490)		3,888,000 D
Taxable capital for the year (amount C **minus** amount D) (if negative, enter "0")	500	24,751,847

Part 4 – Taxable capital employed in Canada

To be completed by a corporation that was resident in Canada at any time in the year

Taxable capital for the year (line 500) 24,751,847 x Taxable income earned in Canada **610** 1,097,820 / Taxable income 1,097,820 = **Taxable capital employed in Canada** **690** 24,751,847

Notes:
1. Regulation 8601 gives details on calculating the amount of taxable income earned in Canada.
2. Where a corporation's taxable income for a tax year is "0," it shall, for the purposes of the above calculation, be deemed to have a taxable income for that year of $1,000.
3. In the case of an airline corporation, Regulation 8601 should be considered when completing the above calculation.

To be completed by a corporation that was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada

Total of all amounts each of which is the carrying value at the end of the year of an asset of the corporation used in the year or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada . . . . **701** ______

Deduct the following amounts:

Corporation's indebtedness at the end of the year [other than indebtedness described in any of paragraphs 181.2(3)(c) to (f)] that may reasonably be regarded as relating to a business it carried on during the year through a permanent establishment in Canada . . . . **711** ______

Total of all amounts each of which is the carrying value at the end of year of an asset described in subsection 181.2(4) of the corporation that it used in the year, or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada . . . . **712** ______

Total of all amounts each of which is the carrying value at the end of year of an asset of the corporation that is a ship or aircraft the corporation operated in international traffic, or personal or movable property used or held by the corporation in carrying on any business during the year through a permanent establishment in Canada (see note below) . . . . **713** ______

Total deductions (**add** lines 711, 712, and 713) ______ ► ______ E

Taxable capital employed in Canada (line 701 **minus** amount E) (if negative, enter "0") . . . . **790** ______

Note: Complete line 713 only if the country in which the corporation is resident did not impose a capital tax for the year on similar assets, or a tax for the year on the income from the operation of a ship or aircraft in international traffic, of any corporation resident in Canada during the year.

Part 5 – Calculation for purposes of the small business deduction

This part is applicable to corporations that are not associated in the current year, but were associated in the prior year.

Taxable capital employed in Canada (amount from line 690) . . . . ______ F

Deduct: . . . . 10,000,000 G

Excess (amount F **minus** amount G) (if negative, enter "0") ______ H

Calculation for purposes of the small business deduction (amount H x 0.225%) . . . . ______ I

Enter this amount at line 415 of the T2 return.

Attached Schedule with Total

Part 1 – All loans and advances to the corporation

Title Part 1 – All loans and advances to the corporation

Explanatory note

Per note 19 of the 2020 FS (w/p FS.20)

Description	Operator (Note)	Amount
Town of Innisfil - receivable		150,000 00
InnServices Utilities Inc. - receivable	+	234,000 00
Innterprises Inc. - receivable	+	368,000 00
	+	
	Total	752,000 00

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula 1+2*3 will not result in the same thing as the formula 1+3*2.

Attached Schedule with Total

Part 2 – A loan or advance to another corporation (other than a financial institution)

Title Part 2 – A loan or advance to another corporation (other than a financial ir

Explanatory note

Per note 19 of the 2020 FS (w/p FS.20)

Description	Operator (Note)	Amount
InnServices Utilities Inc. - payable		3,888,000 00
Innterprises Inc. - payable	+	
InnServices Utilities Inc. - receivable (negative balance)	+	
	+	
	Total	3,888,000 00

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula 1+2*3 will not result in the same thing as the formula 1+3*2.

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Schedule 50

Shareholder Information

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2020-12-31

- All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.
- Provide only one number (business number, partnership account number, social insurance number or trust number) per shareholder.

	Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust) 100	Business number or partnership account number (9 digits, 2 letters, and 4 digits. If not registered, enter "**NR**") 200	Social insurance number (9 digits) 300	Trust number (T followed by 8 digits) 350	Percentage common shares 400	Percentage preferred shares 500
1	Town of Innisfil	121947188RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

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Schedule 500

Ontario Corporation Tax Calculation

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2020-12-31

- Use this schedule if your corporation had a **permanent establishment** (as defined in section 400 of the federal Income Tax Regulations) in Ontario at any time in the tax year and had Ontario taxable income in the year.
- Legislative references are to the federal Income Tax Act and Income Tax Regulations.
- This schedule is a worksheet only and is not required to be filed with your T2 Corporation Income Tax Return.

Part 1 – Ontario basic income tax

Ontario taxable income Note 1	1,097,820	1A
Ontario basic rate of tax for the year	**11.5** %	1B
Ontario basic income tax (amount 1A **multiplied** by amount 1B) Note 2	126,249	1C

Note 1 If your corporation had a permanent establishment only in Ontario, enter the amount from line 360, from page 3 of the T2 return. Otherwise, enter the taxable income allocated to Ontario from column F in Part 1 of Schedule 5.

Note 2 If your corporation had a permanent establishment in more than one jurisdiction or is claiming an Ontario tax credit in addition to Ontario basic income tax, or Ontario corporate minimum tax or Ontario special additional tax on life insurance corporations payable, enter amount 1C on line 270 of Schedule 5, Tax Calculation Supplementary – Corporations. Otherwise, enter it on line 760 of the T2 return.

Part 2 – Ontario small business deduction (OSBD)

Complete this part if your corporation claimed the federal small business deduction under subsection 125(1).

Line 400 of the T2 return	2,472,820	2A
Line 405 of the T2 return		2B
Line 410 of the T2 return		2C
Line 415 of the T2 return	451,774	2D

Amount 2C ______ x Amount 2D $\frac{451,774}{11,250}$ = ______ 2E

Line 515 of the T2 return		2F
Subtotal (amount 2C **minus** amount 2E **minus** amount 2F)		2G
Amount 2A, 2B or 2G whichever is the least		2H

Ontario domestic factor (ODF): $\frac{\text{Taxable income for Ontario Note 3}}{\text{Taxable income for all provinces Note 4}}$ $\frac{1,097,820.00}{1,097,820}$ = 1.00000 2I

Amount 2H **multiplied** by amount 2I		2J
Ontario taxable income (amount 1A)	1,097,820	2K
Ontario small business income (amount 2J or 2K, whichever is less)		2L

Ontario small business deduction for the year

Amount 2L ______ x $\frac{\text{Number of days in the tax year before January 1, 2020}}{\text{Number of days in the tax year}}$ $\frac{}{366}$ x 8 % = ______ 2M

Amount 2L ______ x $\frac{\text{Number of days in the tax year after December 31, 2019}}{\text{Number of days in the tax year}}$ $\frac{366}{366}$ x 8.3 % = ______ 2N

Ontario small business deduction for the year (amount 2M **plus** amount 2N) ______ 2O

Enter amount 2O on line 402 of Schedule 5.

Note 3 Enter amount 1A.

Note 4 Includes the territories and the offshore jurisdictions for Nova Scotia and Newfoundland and Labrador.

Part 3 – Ontario adjusted small business income

Complete this part if your corporation was a Canadian-controlled private corporation throughout the tax year and is claiming the Ontario tax credit for manufacturing and processing or the Ontario credit union tax reduction.

Ontario adjusted small business income (amount 1A or 2H, whichever is the least) . . . . ______ 3A

Enter amount 3A at amount 4B in Part 4 of this schedule or at amount 2E in Part 2 of Schedule 502, Ontario Tax Credit for Manufacturing and Processing, whichever applies.

Part 4 – Credit union tax reduction

Complete this part and Schedule 17, Credit Union Deductions, if the corporation was a credit union throughout the tax year.

Amount 3C of Schedule 17 . . . . ______ 4A

Ontario adjusted small business income (amount 3A) . . . . ______ 4B

Subtotal (amount 4A **minus** amount 4B, if negative, enter "0") ______ ► ______ 4C

Amount 4C ______ x (Number of days in the tax year before January 1, 2020 ______ / Number of days in the tax year 366) x 8 % = ______ 4D

Amount 4C ______ x (Number of days in the tax year after December 31, 2019 366 / Number of days in the tax year 366) x 8.3 % = ______ 4E

Total (amount 4D **plus** amount 4E) ______ ► ______ 4F

Ontario domestic factor (amount 2I) 1.00000 4G

Ontario credit union tax reduction (amount 4F **multiplied** by amount 4G) . . . . ______ 4H

Enter amount 4H on line 410 of Schedule 5.

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Schedule 508

Ontario Research and Development Tax Credit

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2020-12-31

- Use this schedule to:
  - calculate an Ontario research and development tax credit (ORDTC);
  - claim an ORDTC earned in the tax year or carried forward from any of the 20 previous tax years that are a tax year ending after December 31, 2008, to reduce Ontario corporate income tax payable in the current tax year;
  - carry back an ORDTC earned in the tax year to reduce Ontario corporate income tax payable in any of the three previous tax years;
  - add an ORDTC that was allocated to the corporation by a partnership of which it was a member;
  - add an ORDTC transferred after an amalgamation or windup; or
  - calculate a recapture of the ORDTC.
- The ORDTC is a non-refundable tax credit on eligible expenditures incurred by a corporation in a tax year. The ORDTC rate is:
  - 4.5% for tax years that end before June 1, 2016;
  - 3.5% for tax years that start after May 31, 2016; and
  - prorated for a tax year that ends on or after June 1, 2016, and includes May 31, 2016.
- An eligible expenditure is an expenditure for a permanent establishment in Ontario of a corporation, that is a qualified expenditure for the purposes of section 127 of the federal *Income Tax Act* for scientific research and experimental development (SR&ED) carried on in Ontario.
- Only corporations that are not exempt from Ontario corporate income tax and none of whose income is exempt income can claim the ORDTC.
- Complete and attach this schedule to the *T2 Corporation Income Tax Return* for the tax year.
- To claim this credit, you must also send in completed copies of the Form T661, *Scientific Research and Experimental Development (SR&ED) Expenditures Claim*, and the Schedule 31, *Investment Tax Credit - Corporations*, within 18 months of the tax year end.

Part 1 – Ontario SR&ED expenditure pool

Description	Line	Amount		Line	Amount	
Total eligible expenditures incurred by the corporation in Ontario in the tax year	100	132,088	A			
Government assistance, non-government assistance, or a contract payment for eligible expenditures	105		B			
Net eligible expenditures for the tax year (amount A **minus** amount B) (if negative, enter "0")		132,088	C			
Eligible expenditures transferred to the corporation by another corporation	110		D			
Subtotal (amount C **plus** amount D)		132,088	►		132,088	E
Eligible expenditures the corporation transferred to another corporation				115		F
Ontario SR&ED expenditure pool (amount E **minus** amount F) (if negative, enter "0")				120	132,088	G

Part 2 – Eligible repayments

The repayment of the ORDTC is calculated using the ORDTC rate that you used to determine your tax credit at the time your eligible expenditures were reduced because of the government or non-government assistance, or contract payments. Enter the amount of the repayment on the line that corresponds to the appropriate rate.

Repayments for tax years that end before June 1, 2016 . . . . 210 ______ x 4.5 % = 215 ______ H

Repayment for a tax year that ends on or after June 1, 2016 and includes May 31, 2016. Complete the proration calculation below.

Number of days in the tax year before June 1, 2016	240	152	x	4.5 %	=	1.8689 %	1
Number of days in the tax year	241	366					
Number of days in the tax year after May 31, 2016	242	214	x	3.5 %	=	2.0464 %	2
Number of days in the tax year	243	366					
Subtotal (percentage 1 **plus** percentage 2)						3.9153 %	3

Repayments for a tax year that ends on or after June 1, 2016 and includes May 31, 2016 . . . . . . 211 ______ x percentage 3 3.9153 % = 216 ______ I

Part 2 – Eligible repayments (continued)

Repayments for tax years that start after May 31, 2016 . . . . **212** ______ x 3.5 % = **217** ______ J

Repayments made in the tax year of government or non-government assistance or contract payments that reduced eligible expenditures for first term or second term shared-use equipment acquired before 2014 . . . . **220** ______ x 1 / 4 = ______ x 4.5 % = **225** ______ K

Eligible repayments (total of amounts H to K) . . . . **229** ______ L

Part 3 – Calculation of the current part of the ORDTC

For tax years that end before June 1, 2016

Ontario SR&ED expenditure pool (amount G in Part 1) . . . . ______ x 4.5 % = **200** ______ M

ORDTC allocated to the corporation by a partnership of which it is a member (other than a specified member) for a fiscal period that ends in the corporation's tax year * . . . . **205** ______ N

Eligible repayments (amount L in Part 2) . . . . ______ O

Current part of the ORDTC for tax years that end before June 1, 2016 (total of amounts M to O) . . . . **230** ______ P

For a tax year that ends on or after June 1, 2016, and includes May 31, 2016

$\frac{\text{Number of days in the tax year before June 1, 2016}}{\text{Number of days in the tax year}}$ ______ x 4.5 % = ______ % 4

$\frac{\text{Number of days in the tax year after May 31, 2016}}{\text{Number of days in the tax year}}$ ______ x 3.5 % = ______ % 5

Subtotal (percentage 4 **plus** percentage 5) ______ % 6

Ontario SR&ED expenditure pool (amount G in Part 1) . . ______ x percentage 6 ______ % = **201** ______ Q

ORDTC allocated to the corporation by a partnership of which it is a member (other than a specified member) for a fiscal period that ends in the corporation's tax year * . . . . **206** ______ R

Eligible repayments (amount L in Part 2) . . . . ______ S

Part of the ORDTC for a tax year that ends on or after June 1, 2016, and includes May 31, 2016 (total of amounts Q to S) . . . . **231** ______ T

For tax years that start after May 31, 2016

Ontario SR&ED expenditure pool (amount G in Part 1) . . . . 132,088 x 3.5 % = **202** 4,623 U

ORDTC allocated to the corporation by a partnership of which it is a member (other than a specified member) for a fiscal period that ends in the corporation's tax year * . . . . **207** ______ V

Eligible repayments (amount L in Part 2) . . . . ______ W

The ORDTC for tax years that start after May 31, 2016 (total of amounts U to W) . . . . **232** 4,623 X

* If there is a disposal or change of use of eligible property, see Part 7 on page 4.

Part 4 – Calculation of ORDTC available for deduction and ORDTC balance

ORDTC balance at the end of the previous tax year				Y
ORDTC expired after 20 tax years	300			Z
ORDTC at the beginning of the tax year (amount Y **minus** amount Z)	305			AA
ORDTC transferred to the corporation on amalgamation or windup	310			BB
Current part of ORDTC (amount P, T or X in Part 3 whichever applies)		4,623 CC		

Are you waiving all or part of the current part of the ORDTC? . . . . . . **315** Yes 1 ☐ No 2 ☒

If you answered **yes** at line 315, enter the amount of the tax credit waived on line 320.

If you answered **no** at line 315, enter "0" on line 320.

Waiver of the current part of the ORDTC	320	DD		
Subtotal (amount CC **minus** amount DD)		4,623 ▶	4,623 EE	
ORDTC available for deduction (total of amounts AA, BB and EE)			4,623 ▶	4,623 FF
ORDTC claimed ** (Enter amount GG on line 416 on page 5 of Schedule 5, *Tax Calculation Supplementary – Corporations*)			4,623 GG	
ORDTC carried back to previous tax years (from Part 5)			HH	
Subtotal (amount GG **plus** amount HH)			4,623 ▶	4,623 II
ORDTC balance at the end of the tax year (amount FF **minus** amount II)	325			JJ

** This amount cannot be more than the lesser of the following amounts:
- ORDTC available for deduction (amount FF); or
- Ontario corporate income tax payable before the ORDTC and the Ontario corporate minimum tax credit (amount from line E6 on page 5 of Schedule 5).

Part 5 – Request for carryback of tax credit

	Year Month Day			
1st previous tax year	2019-12-31	Credit to be applied	901	
2nd previous tax year	2018-12-31	Credit to be applied	902	
3rd previous tax year	2017-12-31	Credit to be applied	903	

Total (total of amount 901 to 903)(enter at amount HH in Part 4)

Part 6 – Analysis of tax credit available for carryforward by tax year of origin

You can complete this part to show all the credits from previous tax years available for carryforward, by year of origin. This will help you determine the amount of credit that could expire in following years.

Tax year of origin (earliest tax year first) Year / Month / Day	Credit available
2001-12-31	
2002-12-31	
2003-12-31	
2004-12-31	
2005-12-31	
2006-12-31	
2007-12-31	
2008-12-31	
2009-12-31	

Tax year of origin (earliest tax year first) Year / Month / Day	Credit available
2010-12-31	
2011-12-31	
2012-12-31	
2013-12-31	
2014-12-31	
2015-12-31	
2016-12-31	
2017-12-31	
2018-12-31	
2019-12-31	
Current tax year 2020-12-31	

Total (equals line 325 in Part 4) ____

The amount available from the 20th previous tax year will expire after this year. When you file your return for the next year, you will enter the expired amount on line 300 of Schedule 508 for that year.

Part 7 – Calculation of a recapture of ORDTC

You will have a recapture of ORDTC in a tax year when you meet **all** of the following conditions:

- you acquired a particular property in the current year or in any of the 20 previous tax years if the ORDTC was earned in a tax year ending after 2008;
- you claimed the cost of the property as an eligible expenditure for the ORDTC;
- the cost of the property was included in computing your ORDTC or was subject to an agreement made under subsection 127(13) of the federal Act to transfer qualified expenditures and section 42 of the *Taxation Act, 2007* (Ontario) applied; and
- you disposed of the property or converted it to commercial use in a tax year ending after December 31, 2008. You also meet this condition if you disposed of or converted to commercial use a property which incorporates the particular property previously referred to.

  Note: The recapture **does not apply** if you disposed of the property to a non-arm's length purchaser who intended to use it all or substantially all for SR&ED in Ontario. When the non-arm's length purchaser later sells or converts the property to commercial use, the recapture rules will apply to the purchaser based on the historical federal investment tax credit (ITC) rate *** of the original user in Calculation 1 below.

You have to report the recapture on Schedule 5 for the year in which you disposed of the property or converted it to commercial use. If the corporation is a member of a partnership, report its share of the recapture.

Complete the columns for each disposition for which a recapture applies, using the calculation formats below.

*** Federal ITC in calculations 1 and 2 should be determined without reference to paragraph (e) of the definition **investment tax credit** in subsection 127(9) of the federal Act.

Calculation 1 – Complete this part If you meet all of the above conditions

	KK Amount of federal ITC you originally calculated for the property you acquired, or the original user's federal ITC where you acquired the property from a non-arm's length party, as described in the note above 700	LL Amount calculated using the federal ITC rate at the date of acquisition (or the original user's date of acquisition) on either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value of the property (in any other case) 710	MM Amount from column 700 or 710, whichever is less
1.			

Total of column MM (enter at amount WW in Part 8) ____ NN

Part 7 – Calculation of a recapture of ORDTC (continued)

Calculation 2 – If the corporation is deemed by subsection 42(1) of the *Taxation Act, 2007* (Ontario) to have transferred all or part of the eligible expenditure to another corporation as a consequence of an agreement described in subsection 127(13) of the federal Act complete Calculation 2. Otherwise, enter nil on line SS.

	OO Rate percentage that the transferee used to determine its federal ITC for qualified expenditure that was transferred under an agreement under subsection 127(13) of the federal Act 720	PP Proceeds of disposition of the property if you dispose of it to a person at arm's length; or, in any other case, the fair market value of the property at conversion or disposition 730	QQ Amount, if any, already provided for in Calculation 1 (this allows for the situation where only part of the cost of a property is transferred for an agreement under subsection 127(13) of the federal Act) 740
1.			

	RR Amount determined by the formula (OO x PP) - QQ (using the columns above)	SS Federal ITC earned by the transferee for the qualified expenditure that was transferred 750	TT Amount from column RR or SS, whichever is less
1.			

Total of column TT (enter at amount XX in Part 8) ______ UU

Calculation 3

As a member of a partnership, you will report your share of the ORDTC of the partnership after the ORDTC has been reduced by the amount of the recapture. If this is a positive amount, you will report it on line 205, 206, or 207 in Part 3, whichever applies. However, if the partnership does not have enough ORDTC otherwise available to offset the recapture, then the amount by which reductions to the ORDTC exceeds additions (the excess) will be determined and reported on line VV.

Corporate partner's share of the excess of ORDTC (enter at amount ZZ in Part 8) . . . . 760 ______ VV

Part 8 – Total recapture of ORDTC

Recaptured federal ITC for Calculation 1 (amount NN from Part 7) . . . . ______ WW

Recaptured federal ITC for Calculation 2 (amount UU from Part 7) . . . . ______ XX

Amount WW **plus** amount XX . . . . ______ x 23.56 % = ______ YY

Corporate partner's share of the excess of ORDTC for Calculation 3 (amount VV from Part 7) . . . . ______ ZZ

Recapture of ORDTC (amount YY **plus** amount ZZ) (enter amount AAA on line 277 on page 5 of Schedule 5) . . . . ______ AAA

Schedule A - Worksheet for eligible expenditures incurred by the corporation in Ontario for the current taxation year

This worksheet allows you to report the amount of eligible expenditures entered on Form T661, *Scientific Research and Experimental Development (SR&ED) Expenditures Claim* which represents eligible expenditures as defined in section 127 of the *Income Tax Act* (ITA) with regard to scientific research and experimental development (SR&ED) **carried on in Ontario and attributable to a permanent establishment in Ontario of a corporation**.

Data on the worksheet is calculated based on the amounts on Form T661, but will have to be adjusted according to the rules of Ontario, if applicable, in particular when the corporation has had a permanent establishment in more than one jurisdiction. This data will be used when calculating Schedule 508 and Schedule 566.

Total expenditures for SR&ED		87,881	
Add			
• payment of prior years' unpaid expenses (other than salary or wages)	+		
• prescribed proxy amount (Enter "0" if you use the traditional method)	+	45,187	
• other additions	+		
Subtotal	=	133,068	
Less			
• current expenditures (other than salary or wages) not paid within 180 days of the tax year end	–		
• amounts paid in respect of an SR&ED contract to a person or partnership that is not taxable supplier	–		
• 20% of contract expenditures for SR&ED performed on your behalf	–	980	
• prescribed expenditures not allowed by regulations	–		
• other deductions	–		
• non-arm's length transactions			
– expenditures for non-arm's length SR&ED contracts	–		
– purchases (limited to costs) of goods and services from non-arm's length suppliers	–		
Total	=	132,088	I

Enter amount I on line 100 of Schedule 508.

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Schedule 510

Ontario Corporate Minimum Tax

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2020-12-31

- File this schedule if the corporation is subject to Ontario corporate minimum tax (CMT). CMT is levied under section 55 of the *Taxation Act, 2007* (Ontario), referred to as the "Ontario Act".
- Complete Part 1 to determine if the corporation is subject to CMT for the tax year.
- A corporation not subject to CMT in the tax year is still required to file this schedule if it is deducting a CMT credit, has a CMT credit carryforward, or has a CMT loss carryforward or a current year CMT loss.
- A corporation that has Ontario special additional tax on life insurance corporations (SAT) payable in the tax year must complete Part 4 of this schedule even if it is not subject to CMT for the tax year.
- A corporation is exempt from CMT if, throughout the tax year, it was one of the following:
  1) a corporation exempt from income tax under section 149 of the federal *Income Tax Act*;
  2) a mortgage investment corporation under subsection 130.1(6) of the federal Act;
  3) a deposit insurance corporation under subsection 137.1(5) of the federal Act;
  4) a congregation or business agency to which section 143 of the federal Act applies;
  5) an investment corporation as referred to in subsection 130(3) of the federal Act; or
  6) a mutual fund corporation under subsection 131(8) of the federal Act.
- File this schedule with the *T2 Corporation Income Tax Return*.

Part 1 – Determination of CMT applicability

Total assets of the corporation at the end of the tax year *	112	113,229,000
Share of total assets from partnership(s) and joint venture(s) *	114	
Total assets of associated corporations (amount from line 450 on Schedule 511)	116	97,507,604
Total assets (total of lines 112 to 116)		210,736,604
Total revenue of the corporation for the tax year **	142	54,217,000
Share of total revenue from partnership(s) and joint venture(s) **	144	
Total revenue of associated corporations (amount from line 550 on Schedule 511)	146	119,244,746
Total revenue (total of lines 142 to 146)		173,461,746

The corporation is subject to CMT if:
- for tax years ending before July 1, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are more than $5,000,000, or the total revenue for the year of the corporation or the associated group of corporations is more than $10,000,000.
- for tax years ending after June 30, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are equal to or more than $50,000,000, and the total revenue for the year of the corporation or the associated group of corporations is equal to or more than $100,000,000.

If the corporation is not subject to CMT, do not complete the remaining parts unless the corporation is deducting a CMT credit, or has a CMT credit carryforward, a CMT loss carryforward, a current year CMT loss, or SAT payable in the year.

* **Rules for total assets**
- Report total assets according to generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- Do not include unrealized gains and losses on assets and foreign currency gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.
- The amount on line 114 is determined at the end of the last fiscal period of the partnership or joint venture that ends in the tax year of the corporation. Add the proportionate share of the assets of the partnership(s) and joint venture(s), and deduct the recorded asset(s) for the investment in partnerships and joint ventures.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were $1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

** **Rules for total revenue**
- Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- If the tax year is less than 51 weeks, **multiply** the total revenue of the corporation or the partnership, whichever applies, by 365 and **divide** by the number of days in the tax year.
- The amount on line 144 is determined for the partnership or joint venture fiscal period that ends in the tax year of the corporation. If the partnership or joint venture has 2 or more fiscal periods ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were $1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

Part 2 – Adjusted net income/loss for CMT purposes

Description	Line	Amount	Line	Amount	
Net income/loss per financial statements *			210	2,617,000	
Add (to the extent reflected in income/loss):					
Provision for current income taxes/cost of current income taxes	220	257,000			
Provision for deferred income taxes (debits)/cost of future income taxes	222	496,000			
Equity losses from corporations	224				
Financial statement loss from partnerships and joint ventures	226				
Dividends deducted on financial statements (subsection 57(2) of the Ontario Act), excluding dividends paid by credit unions under subsection 137(4.1) of the federal Act	230				
Other additions (see note below):					
Share of adjusted net income of partnerships and joint ventures **	228				
Total patronage dividends received, not already included in net income/loss	232				
281	282				
283	284				
Subtotal		753,000	▶	753,000	A
Deduct (to the extent reflected in income/loss):					
Provision for recovery of current income taxes/benefit of current income taxes	320				
Provision for deferred income taxes (credits)/benefit of future income taxes	322				
Equity income from corporations	324				
Financial statement income from partnerships and joint ventures	326				
Dividends deductible under section 112, section 113, or subsection 138(6) of the federal Act	330				
Dividends not taxable under section 83 of the federal Act (from Schedule 3)	332				
Gain on donation of listed security or ecological gift	340				
Accounting gain on transfer of property to a corporation under section 85 or 85.1 of the federal Act ***	342				
Accounting gain on transfer of property to/from a partnership under section 85 or 97 of the federal Act ****	344				
Accounting gain on disposition of property under subsection 13(4), subsection 14(6), or section 44 of the federal Act *****	346				
Accounting gain on a windup under subsection 88(1) of the federal Act or an amalgamation under section 87 of the federal Act	348				
Other deductions (see note below):					
Share of adjusted net loss of partnerships and joint ventures **	328				
Tax payable on dividends under subsection 191.1(1) of the federal Act **multiplied** by 3	334				
Interest deducted/deductible under paragraph 20(1)(c) or (d) of the federal Act, not already included in net income/loss	336				
Patronage dividends paid (from Schedule 16) not already included in net income/loss	338				
381 2020 net movement in regulatory balances	382	496,000			
383	384				
385	386				
387	388				
389	390				
Subtotal		496,000	▶	496,000	B
Adjusted net income/loss for CMT purposes (line 210 **plus** amount A **minus** amount B)			490	2,874,000	

If the amount on line 490 is positive and the corporation is subject to CMT as determined in Part 1, enter the amount on line 515 in Part 3.

If the amount on line 490 is negative, enter the amount on line 760 in Part 7 (enter as a positive amount).

Note

In accordance with *Ontario Regulation 37/09*, when calculating net income for CMT purposes, accounting income should be adjusted to:

– exclude unrealized gains and losses due to mark-to-market changes or foreign currency changes on specified mark-to-market property (assets only);
– include realized gains and losses on the disposition of specified mark-to-market property not already included in the accounting income, if the property is not a capital property or is a capital property disposed in the year or in a previous tax year ended after March 22, 2007.

"Specified mark-to-market property" is defined in subsection 54(1) of the Ontario Act.

These rules also apply to partnerships. A corporate partner's share of a partnership's adjusted income flows through on a proportionate basis to the corporate partner.

* **Rules for net income/loss**

– Banks must report net income/loss as per the report accepted by the Superintendent of Financial Institutions under the federal *Bank Act*, adjusted so consolidation and equity methods are not used.

Part 2 – Calculation of adjusted net income/loss for CMT purposes (continued)

- Life insurance corporations must report net income/loss as per the report accepted by the federal Superintendent of Financial Institutions or equivalent provincial insurance regulator, before SAT and adjusted so consolidation and equity methods are not used. If the life insurance corporation is resident in Canada and carries on business in and outside of Canada, **multiply** the net income/loss by the ratio of the Canadian reserve liabilities **divided** by the total reserve liability. The reserve liabilities are calculated in accordance with Regulation 2405(3) of the federal Act.
- Other corporations must report net income/loss in accordance with generally accepted accounting principles, except that consolidation and equity methods must not be used. When the equity method has been used for accounting purposes, equity losses and equity income are removed from book income/loss on lines 224 and 324 respectively.
- Corporations, other than insurance corporations, should report net income from line 9999 of the GIFI (Schedule 125) on line 210.

** The share of the adjusted net income of a partnership or joint venture is calculated as if the partnership or joint venture were a corporation and the tax year of the partnership or joint venture were its fiscal period. For a corporation with an indirect interest in a partnership through one or more partnerships, determine the corporation's share according to clause 54(5)(c) of the Ontario Act.

*** A joint election will be considered made under subsection 60(1) of the Ontario Act if there is an entry on line 342, and an election has been made for transfer of property to a corporation under subsection 85(1) of the federal Act.

**** A joint election will be considered made under subsection 60(2) of the Ontario Act if there is an entry on line 344, and an election has been made under subsection 85(2) or 97(2) of the federal Act.

***** A joint election will be considered made under subsection 61(1) of the Ontario Act if there is an entry on line 346, and an election has been made under subsection 13(4) or 14(6) and/or section 44 of the federal Act.

For more information on how to complete this part, see the *T2 Corporation – Income Tax Guide*.

Part 3 – CMT payable

Adjusted net income for CMT purposes (line 490 in Part 2, if positive)		515	2,874,000	
Deduct:				
CMT loss available (amount R from Part 7)				
Minus: Adjustment for an acquisition of control *	518			
Adjusted CMT loss available		▶		C
Net income subject to CMT calculation (if negative, enter "0")		520	2,874,000	

Amount from line 520		Number of days in the tax year before July 1, 2010 / Number of days in the tax year					
2,874,000	x		/ 366	x	4 % =		1

Amount from line 520		Number of days in the tax year after June 30, 2010 / Number of days in the tax year					
2,874,000	x		366 / 366	x	2.7 % =	77,598	2

Subtotal (amount 1 **plus** amount 2) . . . 77,598 3

Gross CMT: amount on line 3 above x OAF **	540	77,598	
Deduct:			
Foreign tax credit for CMT purposes ***	550		
CMT after foreign tax credit deduction (line 540 **minus** line 550) (if negative, enter "0")		77,598	D
Deduct:			
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)		121,626	
Net CMT payable (if negative, enter "0")			E

Enter amount E on line 278 of Schedule 5, *Tax Calculation Supplementary – Corporations*, and complete Part 4.

* Enter the portion of CMT loss available that exceeds the adjusted net income for the tax year from carrying on a business before the acquisition of control. See subsection 58(3) of the Ontario Act.

*** Enter "0" on line 550 for life insurance corporations as they are not eligible for this deduction. For all other corporations, enter the cumulative total of amount J for the province of Ontario from Part 9 of Schedule 21 on line 550.

** **Calculation of the Ontario allocation factor (OAF):**

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "Ontario," enter "1" on line F.

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "multiple," complete the following calculation, and enter the result on line F:

Ontario taxable income **** / Taxable income ***** =

Ontario allocation factor . . . 1.00000 F

**** Enter the amount allocated to Ontario from column F in Part 1 of Schedule 5. If the taxable income is nil, calculate the amount in column F as if the taxable income were $1,000.

***** Enter the taxable income amount from line 360 or amount Z of the T2 return, whichever applies. If the taxable income is nil, enter "1,000".

Part 4 – Calculation of CMT credit carryforward

CMT credit carryforward at the end of the previous tax year *		56,524 G		
Deduct:				
CMT credit expired *	600			
CMT credit carryforward at the beginning of the current tax year * (see note below)		56,524 ▶	620	56,524
Add:				
CMT credit carryforward balances transferred on an amalgamation or the windup of a subsidiary (see note below)			650	
CMT credit available for the tax year (amount on line 620 **plus** amount on line 650)				56,524 H
Deduct:				
CMT credit deducted in the current tax year (amount P from Part 5)				44,028 I
Subtotal (amount H **minus** amount I)				12,496 J
Add:				
Net CMT payable (amount E from Part 3)				
SAT payable (amount O from Part 6 of Schedule 512)				
Subtotal		▶		K
CMT credit carryforward at the end of the tax year (amount J **plus** amount K)			670	12,496 L

* For the first harmonized T2 return filed with a tax year that includes days in 2009:
- do not enter an amount on line G or line 600;
- for line 620, enter the amount from line 2336 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line G the amount from line 670 of Schedule 510 from the previous tax year.

Note: If you entered an amount on line 620 or line 650, complete Part 6.

Part 5 – Calculation of CMT credit deducted from Ontario corporate income tax payable

CMT credit available for the tax year (amount H from Part 4)			56,524 M
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)		121,626 1	
For a corporation that is not a life insurance corporation:			
CMT after foreign tax credit deduction (amount D from Part 3)	77,598 2		
For a life insurance corporation:			
Gross CMT (line 540 from Part 3)	3		
Gross SAT (line 460 from Part 6 of Schedule 512)	4		
The **greater** of amounts 3 and 4	5		
Deduct: line 2 or line 5, whichever applies:		77,598 6	
Subtotal (if negative, enter "0")		44,028 ▶	44,028 N
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)		121,626	
Deduct:			
Total refundable tax credits excluding Ontario qualifying environmental trust tax credit (amount J6 **minus** line 450 from Schedule 5)			
Subtotal (if negative, enter "0")		121,626 ▶	121,626 O
CMT credit deducted in the current tax year (least of amounts M, N, and O)			44,028 P

Enter amount P on line 418 of Schedule 5 and on line I in Part 4 of this schedule.

Is the corporation claiming a CMT credit earned before an acquisition of control? **675** 1 Yes ☐ 2 No ☒

If you answered **yes** to the question at line 675, the CMT credit deducted in the current tax year may be restricted. For information on how the deduction may be restricted, see subsections 53(6) and (7) of the Ontario Act.

Part 6 – Analysis of CMT credit available for carryforward by year of origin

Complete this part if:
- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	CMT credit balance *
10th previous tax year	680
9th previous tax year	681
8th previous tax year	682
7th previous tax year	683
6th previous tax year	684
5th previous tax year	685
4th previous tax year	686
3rd previous tax year	687
2nd previous tax year	688
1st previous tax year	689
Total **	

* CMT credit that was earned (by the corporation, predecessors of the corporation, and subsidiaries wound up into the corporation) in each of the previous 10 tax years and has not been deducted.

** Must equal the total of the amounts entered on lines 620 and 650 in Part 4.

Part 7 – Calculation of CMT loss carryforward

CMT loss carryforward at the end of the previous tax year * . . . . Q

Deduct:

CMT loss expired * 700

CMT loss carryforward at the beginning of the tax year * (see note below) . . . . ► 720

Add:

CMT loss transferred on an amalgamation under section 87 of the federal Act ** (see note below) 750

CMT loss available (line 720 **plus** line 750) . . . . R

Deduct:

CMT loss deducted against adjusted net income for the tax year (lesser of line 490 (if positive) and line C in Part 3) . . . .

Subtotal (if negative, enter "0") S

Add:

Adjusted net loss for CMT purposes (amount from line 490 in Part 2, if **negative**) (enter as a positive amount) 760

CMT loss carryforward balance at the end of the tax year (amount S **plus** line 760) . . . . 770 T

* For the first harmonized T2 return filed with a tax year that includes days in 2009:
- do not enter an amount on line Q or line 700;
- for line 720, enter the amount from line 2214 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line Q the amount from line 770 of Schedule 510 from the previous tax year.

** Do not include an amount from a predecessor corporation if it was controlled at any time before the amalgamation by any of the other predecessor corporations.

Note: If you entered an amount on line 720 or line 750, complete Part 8.

Part 8 – Analysis of CMT loss available for carryforward by year of origin

Complete this part if:

- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	Balance earned in a tax year ending before March 23, 2007 *	Balance earned in a tax year ending after March 22, 2007 **
10th previous tax year	810	820
9th previous tax year	811	821
8th previous tax year	812	822
7th previous tax year	813	823
6th previous tax year	814	824
5th previous tax year	815	825
4th previous tax year	816	826
3rd previous tax year	817	827
2nd previous tax year	818	828
1st previous tax year		829
Total ***		

* Adjusted net loss for CMT purposes that was earned (by the corporation, by subsidiaries wound up into or amalgamated with the corporation before March 22, 2007, and by other predecessors of the corporation) in each of the previous 10 tax years that ended before March 23, 2007, and has not been deducted.

** Adjusted net loss for CMT purposes that was earned (by the corporation and its predecessors, but not by a subsidiary predecessor) in each of the previous 20 tax years that ended after March 22, 2007, and has not been deducted.

*** The total of these two columns must equal the total of the amounts entered on lines 720 and 750.

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SCHEDULE 511

ONTARIO CORPORATE MINIMUM TAX – TOTAL ASSETS AND REVENUE FOR ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2020-12-31

- For use by corporations to report the total assets and total revenue of all the Canadian or foreign corporations with which the filing corporation was associated at any time during the tax year. These amounts are required to determine if the filing corporation is subject to corporate minimum tax.
- Total assets and total revenue include the associated corporation's share of any partnership(s)/joint venture(s) total assets and total revenue.
- Attach additional schedules if more space is required.
- File this schedule with the *T2 Corporation Income Tax Return*.

	Names of associated corporations 200	Business number (Canadian corporation only) (see Note 1) 300	Total assets* (see Note 2) 400	Total revenue** (see Note 2) 500
1	Innservices Utilities Inc.	81689 7326 RC0001	46,013,000	19,038,000
2	Town of Innisfil	NR	50,000,000	100,000,000
3	Innterprises Inc.	86556 4595 RC0001	1,494,604	206,746
		Total	450 97,507,604	550 119,244,746

Enter the total assets from line 450 on line 116 in Part 1 of Schedule 510, *Ontario Corporate Minimum Tax*.
Enter the total revenue from line 550 on line 146 in Part 1 of Schedule 510.

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

Note 2: If the associated corporation does not have a tax year that ends in the filing corporation's current tax year but was associated with the filing corporation in the previous tax year of the filing corporation, enter the total revenue and total assets from the tax year of the associated corporation that ends in the previous tax year of the filing corporation.

* **Rules for total assets**

– Report total assets in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
– Include the associated corporation's share of the total assets of partnership(s) and joint venture(s) but exclude the recorded asset(s) for the investment in partnerships and joint ventures.
– Exclude unrealized gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.

** **Rules for total revenue**

– Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
– If the associated corporation has 2 or more tax years ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of those tax years by 365 and **divide** by the total number of days in all of those tax years.
– If the associated corporation's tax year is less than 51 weeks and is the only tax year of the associated corporation that ends in the filing corporation's tax year, **multiply** the associated corporation's total revenue by 365 and **divide** by the number of days in the associated corporation's tax year.
– Include the associated corporation's share of the total revenue of partnerships and joint ventures.
– If the partnership or joint venture has 2 or more fiscal periods ending in the associated corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.

T2 SCH 511 Canada

Canada Revenue Agency / Agence du revenu du Canada

Information Return for Corporations Filing Electronically

- **Do not send this form to the Canada Revenue Agency (CRA) unless we ask for it. We will not keep or return this form.**
- Complete this return for every initial and amended T2 Corporation Income Tax Return electronically filed with the CRA on your behalf.
- By completing Part 2 and signing Part 3, you acknowledge that, under the Income Tax Act, you have to keep all records used to prepare your T2 Corporation Income Tax Return, and provide this information to us on request.
- Part 4 must be completed by either you or the electronic transmitter of your T2 Corporation Income Tax Return.
- Give the signed original of this return to the transmitter and keep a copy in your own records for six years.
- We are responsible for ensuring the confidentiality of your electronically filed tax information only after we have accepted your return.

Part 1 – Identification

Corporation's name: InnPower Corporation

Business number: 89242 2817 RC0001

Tax year start (Year Month Day): 2020-01-01

Tax year-end (Year Month Day): 2020-12-31

Is this an amended return? ☐ Yes ☒ No

Get your CRA mail electronically delivered in My Business Account at canada.ca/my-cra-business-account (optional)

Email address: ____________

I understand that by providing an email address, I am **registering** the corporation to receive email notifications from the CRA. I understand and agree that all notices and other correspondence eligible for electronic delivery will no longer be printed and mailed. The CRA will notify the corporation at this email address when they are available in My Business Account and requiring immediate attention. They will be presumed to have been received on the date that the email is sent. For more information, see **canada.ca/cra-business-email-notifications**.

Part 2 – Declaration

Enter the following amounts, if applicable, from the T2 return for the tax year noted above:

Net income or loss for income tax purposes from Schedule 1, financial statements, or General Index of Financial Information (GIFI) (line 300)	1,120,167
Part I tax payable (line 700)	
Part III.1 tax payable (line 710)	
Part IV tax payable (line 712)	
Part IV.1 tax payable (line 716)	
Part VI tax payable (line 720)	
Part VI.1 tax payable (line 724)	
Part XIV tax payable (line 728)	
Net provincial and territorial tax payable (line 760)	

Part 3 – Certification and authorization

I, McAllister (Last name), Glen (First name), CFO (Position, office, or rank),

am an authorized signing officer of the corporation. I certify that I have examined the T2 Corporation Income Tax Return, including accompanying schedules and statements, and that the information given on the T2 return and this T183 Corp information return is, to the best of my knowledge, correct and complete. I also certify that the method of calculating income for this tax year is consistent with that of the previous tax year except as specifically disclosed in a statement attached to this return.

I authorize the transmitter identified in Part 4 to electronically file the T2 Corporation Income Tax Return identified in Part 1. The transmitter can also modify the information originally filed in response to any errors Canada Revenue Agency identifies. This authorization expires when the Minister of National Revenue accepts the electronic return as filed.

Date (yyyy/mm/dd): ____________ Signature of an authorized signing officer of the corporation: ____________ Telephone number: (705) 431-6870

Part 4 – Transmitter identification

The following transmitter has electronically filed the tax return of the corporation identified in Part 1.

Name of person or firm: KPMG LLP

Electronic filer number: G1829

Privacy statement

Personal information is collected for the purposes of the administration or enforcement of the Income Tax Act and related programs and activities including administering tax, benefits, audit, compliance, and collection. The information collected may be used or disclosed for purposes of other federal acts that provide for the imposition and collection of a tax or duty. It may also be disclosed to other federal, provincial, territorial, or foreign government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties, or other actions. Under the Privacy Act, individuals have a right of protection, access to and correction of their personal information, or to file a complaint with the Privacy Commissioner of Canada regarding the handling of their personal information. Refer to Personal Information Bank CRA PPU 047 and CRA PPU 211 on Info Source at **canada.ca/cra-info-source**.

Canada Revenue Agency / Agence du revenu du Canada

T2 Corporation Income Tax Return

EXEMPT FROM TAX

055 Do not use this area

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

All legislative references on this return are to the federal Income Tax Act and Income Tax Regulations. This return may contain changes that had not yet become law at the time of publication.

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

For more information see **canada.ca/taxes** or Guide T4012, T2 Corporation – Income Tax Guide.

Identification

Business number (BN) 001 89242 2817 RC0001

Corporation's name
002 InnPower Corporation

Address of head office
Has this address changed since the last time we were notified? 010 Yes [ ] No [X]
If **yes**, complete lines 011 to 018.
011 7251 Yonge Street
012
City: 015 Innisfil
Province, territory, or state: 016 ON
Country (other than Canada): 017
Postal or ZIP code: 018 L9S 0J3

Mailing address (if different from head office address)
Has this address changed since the last time we were notified? 020 Yes [ ] No [X]
If **yes**, complete lines 021 to 028.
021 c/o
022 7251 Yonge Street
023
City: 025 Innisfil
Province, territory, or state: 026 ON
Country (other than Canada): 027
Postal or ZIP code: 028 L9S 0J3

Location of books and records (if different from head office address)
Has this address changed since the last time we were notified? 030 Yes [ ] No [X]
If **yes**, complete lines 031 to 038.
031 7251 Yonge Street
032
City: 035 Innisfil
Province, territory, or state: 036 ON
Country (other than Canada): 037
Postal or ZIP code: 038 L9S 0J3

040 **Type of corporation at the end of the tax year** (tick one)
- [X] 1 Canadian-controlled private corporation (CCPC)
- [ ] 2 Other private corporation
- [ ] 3 Public corporation
- [ ] 4 Corporation controlled by a public corporation
- [ ] 5 Other corporation (specify)

If the type of corporation changed during the tax year, provide the effective date of the change 043 Year Month Day

To which tax year does this return apply?
Tax year start 060 Year Month Day 2020-01-01
Tax year-end 061 Year Month Day 2020-12-31

Has there been an acquisition of control resulting in the application of subsection 249(4) since the tax year start on line 060? 063 Yes [ ] No [X]

If **yes**, provide the date control was acquired 065 Year Month Day

Is the date on line 061 a deemed tax year-end according to subsection 249(3.1)? 066 Yes [ ] No [X]

Is the corporation a professional corporation that is a member of a partnership? 067 Yes [ ] No [X]

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

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

Is this the final tax year before amalgamation? 076 Yes [ ] No [X]

Is this the final return up to dissolution? 078 Yes [ ] No [X]

If an election was made under section 261, state the functional currency used 079

Is the corporation a resident of Canada? 080 Yes [X] No [ ]
If **no**, give the country of residence on line 081 and complete and attach Schedule 97.
081

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

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

Do not use this area
095 096 898

Attachments

Financial statement information: Use GIFI schedules 100, 125, and 141.
Schedules – Answer the following questions. For each **yes** response, **attach** the schedule to the T2 return, unless otherwise instructed.

		Yes	Schedule
Is the corporation related to any other corporations?	150	X	9
Is the corporation an associated CCPC?	160	X	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	161		49
Does the corporation have any non-resident shareholders who own voting shares?	151		19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
If you answered **yes** to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
Is the corporation claiming a loss or deduction from a tax shelter?	166		T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	167		T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust (without reference to section 94)?	168		22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	169		25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the Income Tax Regulations?	170		29
Did the corporation have a total amount over CAN$1 million of reportable transactions with non-arm's length non-residents?	171		T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172		
Does the corporation earn income from one or more Internet web pages or websites?	180		88
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
Has the corporation made any charitable donations; gifts of cultural or ecological property; or gifts of medicine?	202		2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203		3
Is the corporation claiming any type of losses?	204		4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205		5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	206		6
i) Is the corporation a CCPC and reporting a) income or loss from property (other than dividends deductible on line 320 of the T2 return), b) income from a partnership, c) income from a foreign business, d) income from a personal services business, e) income referred to in clause 125(1)(a)(i)(C) or 125(1)(a)(i)(B), f) aggregate investment income as defined in subsection 129(4), or g) an amount assigned to it under subsection 125(3.2) or 125(8); or ii) Is the corporation a member of a partnership and assigning its specified partnership business limit to a designated member under subsection 125(8)?	207	X	7
Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
Does the corporation have any resource-related deductions?	212		12
Is the corporation claiming deductible reserves?	213		13
Is the corporation claiming a patronage dividend deduction?	216		16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or a provincial credit union tax reduction?	217		17
Is the corporation an investment corporation or a mutual fund corporation?	218		18
Is the corporation carrying on business in Canada as a non-resident corporation?	220		20
Is the corporation claiming any federal, provincial, or territorial foreign tax credits, or any federal logging tax credits?	221		21
Does the corporation have any Canadian manufacturing and processing profits?	227		27
Is the corporation claiming an investment tax credit?	231		31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232		T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over $10,000,000?	233	X	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over $10,000,000?	234	X	
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
Is the corporation claiming a Part I tax credit?	242		42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
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		39
Is the corporation claiming a Canadian film or video production tax credit?	253		T1131
Is the corporation claiming a film or video production services tax credit?	254		T1177
Is the corporation claiming a Canadian journalism labour tax credit?	272		58
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	255		92

Attachments (continued)

		Yes	Schedule
Did the corporation have any foreign affiliates in the tax year?	271		T1134
Did the corporation own or hold specified foreign property where the total cost amount of all such property, at any time in the year, was more than CAN$100,000?	259		T1135
Did the corporation transfer or loan property to a non-resident trust?	260		T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261		T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262		T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263		T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264		T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	265		55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	266		T2002
Has the corporation revoked any previous election made under subsection 89(11)?	267		T2002
Did the corporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its general rate income pool (GRIP) change in the tax year?	268		53
Did the corporation (other than a CCPC or DIC) pay eligible dividends, or did its low rate income pool (LRIP) change in the tax year?	269		54

Additional information

		Yes		No	
Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	Yes	X	No	
Is the corporation inactive?	280	Yes		No	X

What is the corporation's main revenue-generating business activity? 221122 Electric Power Distribution

Specify the principal products mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

284	Electricity distributor	285	100.000 %
286		287	%
288		289	%

		Yes		No	
Did the corporation immigrate to Canada during the tax year?	291	Yes		No	X
Did the corporation emigrate from Canada during the tax year?	292	Yes		No	X
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293	Yes		No	

If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible 294 Year Month Day

If the corporation's major business activity is construction, did you have any subcontractors during the tax year? 295 Yes [ ] No [ ]

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI	300		1,120,167	A
Deduct:				
Charitable donations from Schedule 2	311			
Cultural gifts from Schedule 2	313			
Ecological gifts from Schedule 2	314			
Gifts of medicine made before March 22, 2017, from Schedule 2	315			
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320			
Part VI.1 tax deduction*	325			
Non-capital losses of previous tax years from Schedule 4	331			
Net capital losses of previous tax years from Schedule 4	332			
Restricted farm losses of previous tax years from Schedule 4	333			
Farm losses of previous tax years from Schedule 4	334			
Limited partnership losses of previous tax years from Schedule 4	335			
Taxable capital gains or taxable dividends allocated from a central credit union	340			
Prospector's and grubstaker's shares	350			
Employer deduction for non-qualified securities under an employee stock options agreement		a		
Subtotal		▶		B
Subtotal (amount A **minus** amount B) (if negative, enter "0")			1,120,167	C
Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355			D
Taxable income (amount C **plus** amount D)	360		1,120,167	
Taxable income for the year from a personal services business				Z.1

* This amount is equal to 3.5 times the Part VI.1 tax payable at line 724 on page 9.

Small business deduction

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

Income eligible for the small business deduction from Schedule 7 . . . . . 400 1,119,167 A

Taxable income from line 360 on page 3, **minus** 100/28 (3.57143) of the amount on line 632* on page 8, **minus** 4 times the amount on line 636** on page 8, and **minus** any amount that, because of federal law, is exempt from Part I tax . . . . . 405 ______ B

Business limit (see notes 1 and 2 below) . . . . . 410 ______ C

Notes:

1. For CCPCs that are not associated, enter $ 500,000 on line 410. However, if the corporation's tax year is less than 51 weeks, prorate this amount by the number of days in the tax year **divided** by 365, and enter the result on line 410.
2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

Business limit reduction

Taxable capital business limit reduction

Amount C ______ x 415 *** 451,774 D / 11,250 = ... ______ E

Passive income business limit reduction

Adjusted aggregate investment income from Schedule 7**** . 417 30,000 – 50,000 = . . ______ F

Amount C ______ x Amount F ______ / 100,000 = ... ______ G

The greater of amount E and amount G 422 ______ H

Reduced business limit (amount C **minus** amount H) (if negative, enter "0") . . . . . 426 ______ I

Business limit the CCPC assigns under subsection 125(3.2) (from line 515 below) . . . . . ______ J

Reduced business limit after assignment (amount I **minus** amount J) . . . . . 428 ______ K

Small business deduction – Amount A, B, C, or K, whichever is the least . . . . ______ x 19 % = 430 ______

Enter amount from line 430 at amount J on page 8.

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

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

*** **Large corporations**

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

**** Enter the total adjusted aggregate investment income of the corporation and all associated corporations for each tax year that ended in the preceding calendar year. Each corporation with such income has to file a Schedule 7. For a corporation's first tax year that starts after 2018, this amount is reported at line 744 of the corresponding Schedule 7. Otherwise, this amount is the total of all amounts reported at line 745 of the corresponding Schedule 7 of the corporation for each tax year that ended in the preceding calendar year.

Specified corporate income and assignment under subsection 125(3.2)

	L1 Name of corporation receiving the income and assigned amount	L Business number of the corporation receiving the assigned amount 490	M Income paid under clause 125(1)(a)(i)(B) to the corporation identified in column L [3] 500	N Business limit assigned to corporation identified in column L [4] 505
1.				
			Total 510 ______	Total 515 ______

Notes:

3. This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts each of which is income (other than specified farming or fishing income of the corporation for the year) from an active business of the corporation for the year from the provision of services or property to a private corporation (directly or indirectly, in any manner whatever) if
(A) at any time in the year, the corporation (or one of its shareholders) or a person who does not deal at arm's length with the corporation (or one of its shareholders) holds a direct or indirect interest in the private corporation, and
(B) it is not the case that all or substantially all of the corporation's income for the year from an active business is from the provision of services or property to
(I) persons (other than the private corporation) with which the corporation deals at arm's length, or
(II) partnerships with which the corporation deals at arm's length, other than a partnership in which a person that does not deal at arm's length with the corporation holds a direct or indirect interest.
4. The amount of the business limit you assign to a CCPC cannot be greater than the amount determined by the formula A – B, where A is the amount of income referred to in column M in respect of that CCPC and B is the portion of the amount described in A that is deductible by you in respect of the amount of income referred to in clauses 125(1)(a)(i)(A) or (B) for the year. The amount on line 515 cannot be greater than the amount on line 426.

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the tax year

Taxable income from line 360 on page 3				A
Lesser of amounts 9B and 9H from Part 9 of Schedule 27		B		
Amount 13K from Part 13 of Schedule 27		C		
Personal services business income	432	D		
Amount from line 400, 405, 410, or 428 on page 4, whichever is the least		E		
Aggregate investment income from line 440 on page 6*	1,000	F		
Subtotal (**add** amounts B to F)	1,000	►	1,000	G
Amount A **minus** amount G (if negative, enter "0")				H
General tax reduction for Canadian-controlled private corporations – Amount H **multiplied** by 13 %				I

Enter amount I on line 638 on page 8.

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

General tax reduction

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

Taxable income from line 360 on page 3				J
Lesser of amounts 9B and 9H from Part 9 of Schedule 27		K		
Amount 13K from Part 13 of Schedule 27		L		
Personal services business income	434	M		
Subtotal (**add** amounts K to M)		►		N
Amount J **minus** amount N (if negative, enter "0")				O
General tax reduction – Amount O **multiplied** by 13 %				P

Enter amount P on line 639 on page 8.

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the tax year

Aggregate investment income from Schedule 7 . . . . **440** 1,000 x 30 2 / 3 % =		307	A
Foreign non-business income tax credit from line 632 on page 8			B
Foreign investment income from Schedule 7 . . . . **445** x 8 % =			C
Subtotal (amount B **minus** amount C) (if negative, enter "0")	▶		D
Amount A **minus** amount D (if negative, enter "0")		307	E
Taxable income from line 360 on page 3	1,120,167 F		
Amount from line 400, 405, 410, or 428 on page 4, whichever is the least	G		
Foreign non-business income tax credit from line 632 on page 8 . . . . x 75 / 29 =	H		
Foreign business income tax credit from line 636 on page 8 . . x 4 =	I		
Subtotal (**add** amounts G to I)	▶ J		
Subtotal (amount F **minus** amount J)	1,120,167 K x 30 2 / 3 % =	343,518	L
Part I tax payable minus investment tax credit refund (line 700 **minus** line 780 from page 9)			M
Refundable portion of Part I tax – Amount E, L, or M, whichever is the least . . . **450**			N

Refundable dividend tax on hand

Refundable dividend tax on hand (RDTOH) at the end of the previous tax year	460			
Dividend refund for the previous tax year	465			
Net RDTOH transferred on an amalgamation or the wind-up of a subsidiary	480			
Subtotal (line 460 **minus** line 465 **plus** line 480)				A
General rate income pool (GRIP) at the end of the previous tax year (from line 100 of Schedule 53)				B
Total eligible dividends paid in the previous tax year (from line 300 of Schedule 53)			C	
Total excessive eligible dividend designation in the previous tax year (from line 310 of Schedule 53)			D	
Subtotal (amount C **minus** amount D) (if negative, enter "0")			▶	E
Net GRIP at the end of the previous tax year (amount B **minus** amount E) (if negative, enter "0")			F	
GRIP transferred on an amalgamation or the wind-up of a subsidiary (total of lines 230 and 240 of Schedule 53)			G	
Subtotal (amount F **plus** amount G)			▶	H
Amount H **multiplied** by 38 1 / 3 %				I
Eligible refundable dividend tax on hand (ERDTOH) at the end of the previous tax year (for the first tax year starting after 2018, amount A or I, whichever is less, otherwise, use line 530 ____ of the preceding tax year)	520			J
Non-eligible refundable dividend tax on hand (NERDTOH) at the end of the previous tax year (for the first tax year starting after 2018, amount A **minus** amount I, otherwise, use line 545 ____ of the preceding tax year) (if negative, enter "0")	535			K
Part IV tax payable on taxable dividends from connected corporations (amount 2G from Schedule 3)			L	
Part IV tax payable on eligible dividends from non-connected corporations (amount 2J from Schedule 3)			M	
Subtotal (amount L **plus** amount M)			▶	N
Net ERDTOH transferred on an amalgamation or the wind-up of a subsidiary	525			O
ERDTOH dividend refund for the previous tax year	570			P
Refundable portion of Part I tax (from line 450 on page 6)				Q
Part IV tax before deductions (amount 2A from Schedule 3)			R	
Part IV tax allocated to ERDTOH (amount N)			S	
Part IV tax reduction due to Part IV.1 tax payable (amount 4D of Schedule 43)			T	
Subtotal (amount R **minus** total of amounts S and T)			▶	U
Net NERDTOH transferred on an amalgamation or the wind-up of a subsidiary	540			V
NERDTOH dividend refund for the previous tax year	575			W
38 1/3% of the total losses applied against Part IV tax (amount 2D from Schedule 3)				X
Part IV tax payable allocated to NERDTOH, net of losses claimed (amount U **minus** amount X) (if negative enter "0")				Y
NERDTOH at the end of the tax year (total of amounts K, Q, V, and Y **minus** amount W) (if negative, enter "0")	545			
Part IV tax payable allocated to ERDTOH, net of losses claimed (amount N **minus** the amount, if any, by which amount X exceeds amount U) (if negative, enter "0")				Z
ERDTOH at the end of the tax year (total of amounts J, O, and Z **minus** amount P) (if negative, enter "0")	530			

Dividend refund

38 1/3% of total eligible dividends paid in the tax year (amount 3A from Schedule 3)		AA
ERDTOH balance at the end of the tax year (line 530)		BB
Eligible dividend refund (amount AA or BB, whichever is less)		CC
38 1/3% of total non-eligible taxable dividends paid in the tax year (amount 3B from Schedule 3)		DD
NERDTOH balance at the end of the tax year (line 545)		EE
Non-eligible dividend refund (amount DD or EE, whichever is less)		FF
Amount DD **minus** amount EE (if negative, enter "0")		GG
Amount BB **minus** amount CC (if negative, enter "0")		HH
Additional non-eligible dividend refund (amount GG or HH, whichever is less)		II
Dividend refund – Amount CC **plus** amount FF **plus** amount II		JJ

Enter amount JJ on line 784 on page 9.

Part I tax

Base amount Part I tax – Taxable income (from line 360 on page 3) **multiplied** by 38 %				550	A
Additional tax on personal services business income (section 123.5)					
Taxable income from a personal services business	555		x 5 % =	560	B
Recapture of investment tax credit from Schedule 31				602	C

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

Aggregate investment income from line 440 on page 6			D	
Taxable income from line 360 on page 3		E		
Deduct:				
Amount from line 400, 405, 410, or 428 on page 4, whichever is the least		F		
Net amount (amount E **minus** amount F)		►	G	
Refundable tax on CCPC's investment income – 10 2 / 3 % of whichever is less: amount D or amount G			604	H
Subtotal (**add** amounts A, B, C, and H)				I

Deduct:

Small business deduction from line 430 on page 4		J	
Federal tax abatement	608		
Manufacturing and processing profits deduction from Schedule 27	616		
Investment corporation deduction	620		
Taxed capital gains 624			
Federal foreign non-business income tax credit from Schedule 21	632		
Federal foreign business income tax credit from Schedule 21	636		
General tax reduction for CCPCs from amount I on page 5	638		
General tax reduction from amount P on page 5	639		
Federal logging tax credit from Schedule 21	640		
Eligible Canadian bank deduction under section 125.21	641		
Federal qualifying environmental trust tax credit	648		
Investment tax credit from Schedule 31	652		
Subtotal		►	K

Part I tax payable – Amount I **minus** amount K L
Enter amount L on line 700 on page 9.

Privacy statement

Personal information (including the SIN) is collected for the purposes of the administration or enforcement of the Income Tax Act and related programs and activities including administering tax, benefits, audit, compliance, and collection. The information collected may be used or disclosed for purposes of other federal acts that provide for the imposition and collection of a tax or duty. It may also be disclosed to other federal, provincial, territorial, or foreign government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties, or other actions. Under the Privacy Act, individuals have a right of protection, access to and correction of their personal information, or to file a complaint with the Privacy Commissioner of Canada regarding the handling of their personal information. Refer to Personal Information Bank CRA PPU 047 on Info Source at **canada.ca/cra-info-source**.

Summary of tax and credits

Federal tax

Part I tax payable from amount L on page 8	700	
Part III.1 tax payable from Schedule 55	710	
Part IV tax payable from Schedule 3	712	
Part IV.1 tax payable from Schedule 43	716	
Part VI tax payable from Schedule 38	720	
Part VI.1 tax payable from Schedule 43	724	
Part XIII.1 tax payable from Schedule 92	727	
Part XIV tax payable from Schedule 20	728	
Total federal tax		

Add provincial or territorial tax:

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

Net provincial or territorial tax payable (except Quebec and Alberta)	760	
Total tax payable	770	A

Deduct other credits:

Investment tax credit refund from Schedule 31	780	
Dividend refund from amount JJ on page 7	784	
Federal capital gains refund from Schedule 18	788	
Federal qualifying environmental trust tax credit refund	792	
Canadian film or video production tax credit (Form T1131)	796	
Film or video production services tax credit (Form T1177)	797	
Canadian journalism labour tax credit from Schedule 58	798	
Tax withheld at source	800	
Total payments on which tax has been withheld	801	
Provincial and territorial capital gains refund from Schedule 18	808	
Provincial and territorial refundable tax credits from Schedule 5	812	
Tax instalments paid	840	
Total credits	890	B

Balance (amount A **minus** amount B)

Refund code 894 ☐ Refund

If the result is negative, you have a **refund**.
If the result is positive, you have a **balance owing**.
Enter the amount on whichever line applies.
Generally, we do not charge or refund a difference of $2 or less.

Balance owing

For information on how to make your payment, go to **canada.ca/payments**.

Direct deposit request

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

☐ Start ☐ Change information

910 Branch number

914 Institution number

918 Account number

If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due? 896 Yes ☐ No ☒

If this return was prepared by a tax preparer for a fee, provide their EFILE number 920 G1829

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

Certification

I, 950 McAllister (Last name), 951 Glen (First name), 954 CFO (Position, office, or rank),

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

955 Date (yyyy/mm/dd) — Signature of the authorized signing officer of the corporation — 956 (705) 431-6870 Telephone number

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

958 Lisa McCaskie — Name of other authorized person — 959 (705) 431-6870 Telephone number

Language of correspondence – Langue de correspondance

Indicate your language of correspondence by entering **1** for English or **2** for French.
Indiquez votre langue de correspondance en inscrivant **1** pour anglais ou **2** pour français. 990 1

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 100

Form identifier 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Corporation's name	Business number	Tax year end Year Month Day
InnPower Corporation	89242 2817 RC0001	2020-12-31

Balance sheet information

Account	Description	GIFI		Current year	Prior year
	Assets				
	Total current assets	1599	+	13,189,000	15,720,000
	Total tangible capital assets	2008	+	107,300,000	92,944,000
	Total accumulated amortization of tangible capital assets	2009	–	16,713,000	13,864,000
	Total intangible capital assets	2178	+		
	Total accumulated amortization of intangible capital assets	2179	–		
	Total long-term assets	2589	+	9,453,000	7,533,000
	* Assets held in trust	2590	+		
	Total assets (mandatory field)	2599	=	113,229,000	102,333,000
	Liabilities				
	Total current liabilities	3139	+	13,283,000	12,498,000
	Total long-term liabilities	3450	+	72,112,000	64,618,000
	* Subordinated debt	3460	+		
	* Amounts held in trust	3470	+		
	Total liabilities (mandatory field)	3499	=	85,395,000	77,116,000
	Shareholder equity				
	Total shareholder equity (mandatory field)	3620	+	27,834,000	25,217,000
	Total liabilities and shareholder equity	3640	=	113,229,000	102,333,000
	Retained earnings				
	Retained earnings/deficit – end (mandatory field)	3849	=	15,305,000	12,673,000

* Generic item

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Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 125

Form identifier 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2020-12-31

Income statement information

Description	GIFI	
Operating name	0001	
Description of the operation	0002	
Sequence number	0003	01

Account	Description	GIFI		Current year	Prior year
	Income statement information				
	Total sales of goods and services	8089	+	52,519,000	43,514,000
	Cost of sales	8518	–	43,336,000	34,338,000
	Gross profit/loss	8519	=	9,183,000	9,176,000
	Cost of sales	8518	+	43,336,000	34,338,000
	Total operating expenses	9367	+	10,582,000	9,921,000
	Total expenses (mandatory field)	9368	=	53,918,000	44,259,000
	Total revenue (mandatory field)	8299	+	54,217,000	44,947,000
	Total expenses (mandatory field)	9368	–	53,918,000	44,259,000
	Net non-farming income	9369	=	299,000	688,000
	Farming income statement information				
	Total farm revenue (mandatory field)	9659	+		
	Total farm expenses (mandatory field)	9898	–		
	Net farm income	9899	=		
	Net income/loss before taxes and extraordinary items	9970	=	299,000	688,000
	Total – other comprehensive income	9998	=	-15,000	66,000
	Extraordinary items and income (linked to Schedule 140)				
	Extraordinary item(s)	9975	–		
	Legal settlements	9976	–		
	Unrealized gains/losses	9980	+		
	Unusual items	9985	–	-3,086,000	-2,457,000
	Current income taxes	9990	–	257,000	-42,000
	Future (deferred) income tax provision	9995	–	496,000	546,000
	Total – Other comprehensive income	9998	+	-15,000	66,000
	Net income/loss after taxes and extraordinary items (mandatory field)	9999	=	2,617,000	2,707,000

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

Canada Revenue Agency / Agence du revenu du Canada

Schedule 141

Notes Checklist

Corporation's name	Business number	Tax Year End Year Month Day
InnPower Corporation	89242 2817 RC0001	2020-12-31

- Parts 1, 2, and 3 of this schedule must be completed from the perspective of the person (referred to in these parts as the **accountant**) who prepared or reported on the financial statements. If the person preparing the tax return is not the accountant referred to above, they must still complete Parts 1, 2, 3, and 4, as applicable.
- For more information, see Guide RC4088, General Index of Financial Information (GIFI) and T4012, T2 Corporation – Income Tax Guide.
- Complete this schedule and include it with your T2 return along with the other GIFI schedules.

Part 1 – Information on the accountant who prepared or reported on the financial statements

Does the accountant have a professional designation? . . . . . 095 Yes [X] No [ ]

Is the accountant connected* with the corporation? . . . . . 097 Yes [ ] No [X]

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

* 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 with the financial statements

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

Completed an auditor's report . . . . . 1 [X]

Completed a review engagement report . . . . . 2 [ ]

Conducted a compilation engagement . . . . . 3 [ ]

Part 3 – Reservations

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

Has the accountant expressed a reservation? . . . . . 099 Yes [ ] No [X]

Part 4 – Other information

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

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

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

Were notes to the financial statements prepared? . . . . . 101 Yes [X] No [ ]

If **yes**, complete lines 104 to 107 below:

Are subsequent events mentioned in the notes? . . . . . 104 Yes [ ] No [X]

Is re-evaluation of asset information mentioned in the notes? . . . . . 105 Yes [ ] No [X]

Is contingent liability information mentioned in the notes? . . . . . 106 Yes [ ] No [X]

Is information regarding commitments mentioned in the notes? . . . . . 107 Yes [X] No [ ]

Does the corporation have investments in joint venture(s) or partnership(s)? . . . . . 108 Yes [ ] No [X]

Part 4 – Other information (continued)

Impairment and fair value changes

In any of the following assets, was an amount recognized in net income or other comprehensive income (OCI) as a result of an impairment loss in the tax year, a reversal of an impairment loss recognized in a previous tax year, or a change in fair value during the tax year? . . . . . **200** Yes [ ] No [X]

If **yes**, enter the amount recognized:

		In net income Increase (decrease)		In OCI Increase (decrease)
Property, plant, and equipment	210		211	
Intangible assets	215		216	
Investment property	220			
Biological assets	225			
Financial instruments	230		231	
Other	235		236	

Financial instruments

Did the corporation derecognize any financial instrument(s) during the tax year (other than trade receivables)? . . . . . **250** Yes [ ] No [X]

Did the corporation apply hedge accounting during the tax year? . . . . . **255** Yes [ ] No [X]

Did the corporation discontinue hedge accounting during the tax year? . . . . . **260** Yes [ ] No [X]

Adjustments to opening equity

Was an amount included in the opening balance of retained earnings or equity, in order to correct an error, to recognize a change in accounting policy, or to adopt a new accounting standard in the current tax year? . . . . . **265** Yes [ ] No [X]

If **yes**, you have to maintain a separate reconciliation.

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InnPower Corporation
89242 2817 RC0001
ATTACHMENT TO THE ELECTRONICALLY-FILED RETURN
REGULATION 1100(1)(a.2) ELECTION FOR THE YEAR ENDED
December 31, 2020
InnPower Corporation ("InnPower") is electing pursuant to paragraphs 1100(1)(a.2) and 1101(5b.1) of the Income Tax Regulations to designate a separate 6% capital cost allowance class for eligible non-residential building additions acquired in the 2020 taxation year and included in Class 1. Effectively, this election will permit InnPower to claim an additional 2% capital cost allowance on Class 1 additions acquired during the 2020 taxation year. The Class 1 acquisitions made in the taxation year to which this election should apply are as follows:
" Class 1b addition - $69,709

Signature Date

INNPOWER CORPORATION
Notes to Financial Statements
Year ended December 31, 2020
(Expressed in thousands of dollars)
1. Reporting entity
InnPower Corporation (the "Corporation") is a rate regulated, municipally owned hydro distribution
company incorporated under the laws of Ontario, Canada. The Corporation is located in the Town
of Innisfil ("the Town"). The address of the Corporation's registered office is 7251 Yonge Street,Innisfil, Ontario.
The Corporation delivers electricity and related energy services to residential and commercial
customers in the Town and South Barrie. The Corporation is wholly owned by the Town of Innisfil.
The financial statements are for the Corporation as at and for the year ended December 31, 2020.
2. Basis of presentation
(a) Statement of compliance
The Corporation's financial statements have been prepared in accordance with InternationalFinancial Reporting Standards ("IFRS").
The financial statements were approved by the Board of Directors on April 21, 2021.
(b) Basis of measurement
These financial statements have been prepared on the historical cost basis, unless otherwisestated.
(c) Functional and presentation currency
These financial statements are presented in Canadian dollars, which is the Corporation's
functional currency. All financial information presented in Canadian dollars has been roundedto the nearest thousand.
(d) Use of estimates and judgments
The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.
Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the

estimates are revised and in anyfuture years affected.
Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment is included in the following notes:
(i) Note 3(b) - measurement of unbilled revenue
(ii) Note 3 (b) - determination of the performance obligation for contributions from customersand the related amortization period.
(iii) Notes 3 (k), 16 - leases: whether an arrangement contains a lease
(iv) Notes 6, 7 - estimation of useful lives of its property, plant and equipment and intangibleassets
(v) Note 9 - recognition and measurement of regulatory balances
(vi) Note 13 - measurement of defined benefit obligations: key actuarial assumptions
(vii) Note 18 - recognition and measurement of provisions and contingencies
(e) Rate regulation
The Corporation is regulated by the Ontario Energy Board ("OEB"), under the authority granted by the Ontario Energy Board Act, 1998. Among other things, the OEB has the power and responsibility to approve or set rates for the transmission and distribution of electricity, providing continued rate protection for electricity consumers in Ontario, and ensuring that transmission and distribution companies fulfill obligations to connect and service customers. The OEB may also prescribe license requirements and conditions of service to local distribution companies ("LDCs"), such as the Corporation, which may include, among other things, record keeping, regulatory accounting principles, separation of accounts for distinct businesses, and filing andprocess requirements for rate setting purposes.
The Corporation is required to bill customers for the debt retirement charge set by the province.
The Corporation may file to recover uncollected debt retirement charges from OntarioElectricity Financial Corporation ("OEFC") once each year.
Rate setting
Distribution revenue
For the distribution revenue included in sale of energy, the Corporation files a "Cost of Service" ("COS") rate application with the OEB every five years where rates are determined through a review of the forecasted annual amount of operating and capital expenditures, debt and shareholder's equity required to support the Corporation's business. The Corporation estimates electricity usage and the costs to service each customer class to determine the appropriate rates to be charged to each customer class. The COS application is reviewed by the OEB and interveners and rates are approved based upon this review, including any revisions resulting from that review.
In the intervening years an Incentive Rate Mechanism application ("IRM") is filed. An IRM application results in a formulaic adjustment to distribution rates that were set under the last COS application. The previous year's rates are adjusted for the annual change in the Gross Domestic Product Implicit Price Inflator for Final Domestic Demand ("GDP IPI-FDD") net of a productivity factor and a "stretch factor" determined by the relative efficiency of an electricity distributor.
As a licensed distributor, the Corporation is responsible for billing customers for electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties. The Corporation is required, pursuant to regulation, to remit such amounts to these third parties, irrespective of whether the Corporation ultimately collects these amounts from customers.
The Corporation last filed a COS application in June 2016 for rates effective

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January 1, 2017
to December 31, 2021. On December 10, 2020 the Corporation received its decision on rateseffective January 1, 2021.

Electricity rates

The OEB sets electricity prices for low-volume consumers twice each year based on an estimate of how much it will cost to supply the province with electricity for the next year. All remaining consumers pay the market price for electricity. The Corporation is billed for the cost of the electricity that its customers use and passes this cost on to the customer at cost without a mark-up.

3. Significant accounting policies

The accounting policies set out below have been applied consistently in all years presented in thesefinancial statements.

(a) Financial instruments

At initial recognition, the Company measures it's financial assets at fair value plus, in the case
of a financial asset not at fair value through profit or loss, transaction costs that are directly
attributable to the acquisition of the financial asset. Transaction costs of financial assets carried
at fair value through profit or loss are expensed in profit or loss.
Subsequent measurement of the financial asset depends on the classification determined on
initial recognition. Financial assets are classified as either amortized cost, fair value through
other comprehensive income or fair value through profit or loss, depending on its business
model for managing the financial assets and the contractual cash flow characteristics of the
financial assets. Financial assets are not reclassified subsequent to their initial recognition,
unless the Company changes its business model for managing financial assets.
Financial liabilities are initially measured at fair value, net of transaction costs incurred. They
are subsequently carried at amortized cost using the effective interest rate method; any
difference between the proceeds (net of transaction costs) and the redemption value isrecognized as an adjustment to interest expense over the period of the borrowings.The Corporation has not entered into derivative instruments.

(b) Revenue recognition

Sale and distribution of electricity

The performance obligations for the sale and distribution of electricity are recognized over time using an output method to measure the satisfaction of the performance obligation. The value of the electricity services transferred to the customer is determined on the basis of cyclical meter readings plus estimated customer usage since the last meter reading date to the end of the year and represents the amount that the Corporation has the right to bill. Revenue includes the cost of electricity supplied, distribution, and any other regulatory charges. The related costof power is recorded on the basis of power used.

For customer billings related to electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third
parties, the Corporation has determined that it is acting as a principal for these electricity
charges and, therefore, has presented electricity revenue on a gross basis.

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Notes to the financial statements

Customer billings for debt retirement charges are recorded on a net basis as the Corporationis acting as an agent for this billing stream.
Capital contributions
Developers are required to contribute towards the capital cost of construction of distribution
assets in order to provide ongoing service. The developer is not a customer and therefore the
contributions are scoped out of IFRS 15 Revenue from Contracts with Customers. Cash
contributions, received from developers are recorded as deferred revenue. When an asset
other than cash is received as a capital contribution, the asset is initially recognized at its fair
value, with a corresponding amount recognized as deferred revenue. The deferred revenue,
which represents the Corporation's obligation to continue to provide the customers access to
the supply of electricity, is amortized to income on a straight-line basis over the useful life ofthe related asset.
Certain customers are also required to contribute towards the capital cost of construction of
distribution assets in order to provide ongoing service. These contributions fall within the scope
of IFRS 15 Revenue from Contracts with Customers. The contributions are received to obtain
a connection to the distribution system in order receive ongoing access to electricity. The
Corporation has concluded that the performance obligation is the supply of electricity over the
life of the relationship with the customer which is satisfied over time as the customer receives
and consumes the electricity. Revenue is recognized on a straight-line basis over the usefullife of the related asset.
Other revenue
Revenue earned from the provision of services is recognized as the service is rendered.
Government grants and the related performance incentive payments under CDM programs are
recognized as revenue in the year when there is reasonable assurance that the programconditions have been satisfied and the payment will be received.
(c) Materials and supplies
Materials and supplies, the majority of which is consumed by the Corporation in the provision
of its services, is valued at the lower of cost and net realizable value, with cost being determined
on an average cost basis, and includes expenditures incurred in acquiring the materials and
supplies and other costs incurred in bringing them to their existing location and condition.
(d) Property, plant and equipment
Items of property, plant and equipment ("PP&E") used in rate-regulated activities and acquired
prior to January 1, 2015 are measured at the deemed cost (carrying value as elected under
IFRS 1) established on the transition date, less accumulated depreciation. All other items of

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PP&E are measured at cost, or, where the item is contributed by customers, its fair value, lessaccumulated depreciation.
Cost includes expenditures that are directly attributable to the acquisition of the asset. The
cost of self-constructed assets includes contracted services, materials and transportation
costs, direct labour, overhead costs, borrowing costs and any other costs directly attributable
to bringing the asset to a working condition for its intended use.
Borrowing costs on qualifying assets are capitalized as part of the cost of the asset based upon
the weighted average cost of debt incurred on the Corporation's borrowings. Qualifying assets
are considered to be those that take in excess of 12 months to construct.
When parts of an item of PP&E have different useful lives, they are accounted for as separateitems (major components) of PP&E.
When items of PP&E are retired or otherwise disposed of, a gain or loss on disposal is
determined by comparing the proceeds from disposal, if any, with the carrying amount of theitem and is included in profit or loss.
Major spare parts and standby equipment are recognized as items of PP&E.
The cost of replacing a part of an item of PP&E is recognized in the net book value of the item
if it is probable that the future economic benefits embodied within the part will flow to the
Corporation and its cost can be measured reliably. In this event, the replaced part of PP&E is
written off, and the related gain or loss is included in profit or loss. The costs of the day-to-day
servicing of PP&E are recognized in profit or loss as incurred.
The need to estimate the decommissioning costs at the end of the useful lives of certain assets
is reviewed periodically. The Corporation has concluded it does not have any legal orconstructive obligation to remove PP&E.
Depreciation is calculated to write off the cost of items of PP&E using the straight-line method
over their estimated useful lives, and is generally recognized in profit or loss. Depreciation
methods, useful lives, and residual values are reviewed at each reporting date and adjustedprospectively if appropriate. Land is not depreciated. Construction-in-progress assets are not
depreciated until the project is complete and the asset is available for use.
(d) Property, plant and equipment (continued)
The estimated useful lives are as follows:
Asset Years
Buildings and fixtures 50 years
Substations 30 years
Distribution lines 15-60 years
Distribution transformers 40-50 years
Meters 15-25 years
Office equipment 10 years
Computer equipment 5 years
Transportation equipment 10 years
Small tools and miscellaneous equipment 10 years
System supervisory 15 years
(e) Intangible assets

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Intangible assets used in rate-regulated activities and acquired prior to January 1, 2015 are
measured at deemed cost (carrying value as elected under IFRS 1) established on the
transition date, less accumulated amortization. All other intangible assets are measured atcost.
Computer software that is acquired or developed by the Corporation after January 1, 2015,
including software that is not integral to the functionality of equipment purchased which has
finite useful lives, is measured at cost less accumulated amortization.
Payments to obtain rights to access land ("land rights") are classified as intangible assets.
These include payments made for easements, right of access and right of use over land for
which the Corporation does not hold title. Land rights are measured at cost less accumulatedamortization.
Amortization is recognized in profit or loss on a straight-line basis over the estimated useful
lives of intangible assets from the date that they are available for use. Amortization
methods and useful lives of all intangible assets are reviewed at each reporting date and
adjusted prospectively if appropriate. The estimated useful lives are:
Asset Years
Computer software 3 years
Land rights 50 years
(f) Impairment
(i) Financial assets measured at amortized cost
A loss allowance for expected credit losses on financial assets measured at amortized cost
is recognized at the reporting date. The loss allowance is measured at an amount equalto the lifetime expected credit losses for the asset.
(ii) Non-financial assets
The carrying amounts of the Corporation's non-financial assets, other than materials and
supplies and deferred tax assets, are reviewed at each reporting date to determine whether
there is any indication of impairment. If any such indication exists, then the asset'srecoverable amount is estimated.
For the purpose of impairment testing, assets are grouped together into the smallest group
of assets that generates cash inflows from continuing use that are largely independent of
the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU").
The recoverable amount of an asset or CGU is the greater of its value in use and its fair
value less costs to sell. In assessing value in use, the estimated future cash flows are
discounted to their present value using a pre-tax discount rate that reflects current market
assessments of the time value of money and the risks specific to the asset.
An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its
estimated recoverable amount. Impairment losses are recognized in profit or

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loss.
An impairment loss is reversed only to the extent that the asset's carrying amount does not
exceed the carrying amount that would have been determined, net of depreciation oramortization, if no impairment loss had been recognized.
(g) Customer deposits
Customer deposits represent cash deposits from electricity distribution customers and retailers
to guarantee the payment of energy bills. Interest is paid on customer deposits.
Deposits are refundable to customers who demonstrate an acceptable level of credit risk as
determined by the Corporation in accordance with policies set out by the OEB or upontermination of their electricity distribution service.
(h) Provisions
A provision is recognized if, as a result of a past event, the Corporation has a present legal or
constructive obligation that can be estimated reliably, and it is probable that an outflow of
economic benefits will be required to settle the obligation. Provisions are determined by
discounting the expected future cash flows at a pre-tax rate that reflects current market
assessments of the time value of money and the risks specific to the liability.
(i) Regulatory balances
Regulatory deferral account debit balances represent costs incurred in excess of amounts
billed to the customer at OEB approved rates. Regulatory deferral account credit balances
represent amounts billed to the customer at OEB approved rates in excess of costs incurredby the Corporation.
Regulatory deferral account debit balances are recognized if it is probable that future billings
in an amount at least equal to the deferred cost will result from inclusion of that cost in allowable
costs for rate-making purposes. The offsetting amount is recognized in net movement in
regulatory balances in profit or loss or OCI. When the customer is billed at rates approved by
the OEB for the recovery of the deferred costs, the customer billings are recognized in revenue.
The regulatory debit balance is reduced by the amount of these customer billings with the offset
to net movement in regulatory balances in profit or loss or OCI.
The probability of recovery of the regulatory deferral account debit balances is assessed
annually based upon the likelihood that the OEB will approve the change in rates to recover
the balance. The assessment of likelihood of recovery is based upon previous decisions made
by the OEB for similar circumstances, policies or guidelines issued by the OEB, etc. Any
resulting impairment loss is recognized in profit or loss in the year incurred.
When the Corporation is required to refund amounts to ratepayers in the

future, the Corporation
recognizes a regulatory deferral account credit balance. The offsetting amount is recognized
in net movement in regulatory balances in profit or loss or OCI. The amounts returned to the
customers are recognized as a reduction of revenue. The credit balance is reduced by the
amount of these customer repayments with the offset to net movement in regulatory balancesin profit or loss or OCI.

(j) Post-employment benefits

(i) Pension plan

The Corporation provides a pension plan for all its full-time employees through Ontario
Municipal Employees Retirement System ("OMERS"). OMERS is a multi-employer pension plan which operates as the Ontario Municipal Employees Retirement Fund ("the
Fund"), and provides pensions for employees of Ontario municipalities, local boards and
public utilities. The Fund is a contributory defined benefit pension plan, which is financed
by equal contributions from participating employers and employees, and by the investmentearnings of the Fund. To the extent that the Fund finds itself in an
under-funded position,
additional contribution rates may be assessed to participating employers and members.

OMERS is a defined benefit plan. However, as OMERS does not segregate its pensionasset and liability information by individual employers, there is insufficient information
available to enable the Corporation to directly account for the plan. Consequently, the plan
has been accounted for as a defined contribution plan. The Corporation is not responsiblefor any other contractual obligations other than the contributions.

Obligations for
contributions to defined contribution pension plans are recognized as an employee benefitexpense in profit or loss when they are due.

(ii) Post-employment benefits, other than pension

The Corporation provides some of its retired employees with life insurance and medicalbenefits beyond those provided by government sponsored plans.

The obligations for these post-employment benefit plans are actuarially determined by
applying the projected unit credit method and reflect management's best estimate of certain
underlying assumptions. Remeasurements of the net defined benefit obligations, including
actuarial gains and losses and the return on plan assets (excluding interest), are
recognized immediately in other comprehensive income. When the benefits of a plan are
improved, the portion of the increased benefit relating to past service by employees isrecognized immediately in profit or loss.

(k) Leased assets

At inception of a contract, the Corporation assesses whether the contract is or contains a lease.

A contract is determined to contain a lease if it provides the Corporation

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with the right to control
the use of an identified asset for a period of time in exchange for
consideration. Contracts
determined to contain a lease are accounted for as leases. For leases and
contracts that
contain a lease, the Corporation recognizes a right-of-use asset and a lease
liability at the lease
commencement date. The right-of-use asset is initially measured at cost which
comprises the
initial amount of the lease liability adjusted for any lease payments made at
or before the
commencement date, plus any initial direct costs incurred and an estimate of
costs to dismantle
and remove the underlying asset or to restore the underlying asset or the
site on which it islocated, less any lease incentives received.
The right-of-use asset is subsequently depreciated using the straight-line
method from the
commencement date to the earlier of the end of the useful life of the
right-of-use asset or the
end of the lease term. The estimated useful lives of right-of-use assets are
determined on the
same basis as those of property, plant and equipment. Subsequent to initial
recognition, the
right-of-use asset is recognized at cost less any accumulated depreciation
and any
accumulated impairment losses, adjusted for certain remeasurements of the
correspondinglease liability.
The lease liability is initially measured at the present value of lease
payments plus the present
value of lease payments that are not paid at the commencement date,
discounted using the
interest rate implicit in the lease, or if that rate cannot be readily
determined, the Corporation'sincremental borrowing rate.
The lease liability is subsequently measured at amortized cost using the
effective interest
method. It is remeasured when there is a change in future lease payments
arising from a
change in an index or rate, if there is a change in the Corporation's
estimate of the amount
expected to be payable under a residual value guarantee, or if the
Corporation changes its
assessment of whether it will exercise a purchase, extension or termination
option. When the
lease liability is remeasured in this way, a corresponding adjustment is made
to the carrying
amount of the right-of-use asset, or is recorded in profit or loss if the
carrying amount of theright-of-use asset has been reduced to zero.
(l) Finance income and finance costs
Finance income is recognized as it accrues in profit or loss, using the
effective interest method.
Finance income comprises interest earned on cash and dividend income.
Finance costs comprise interest expense on borrowings and net interest
expense on postemployment
benefits. Finance costs are recognized in profit or loss unless they are
capitalizedas part of the cost of qualifying assets.
(m) Income taxes

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Notes to the financial statements

The income tax expense comprises current and deferred tax. Income tax expense isrecognized in profit or loss except to the extent that it relates to items recognized directly inequity, in which case, it is recognized in equity.
The Corporation is currently exempt from taxes under the Income Tax Act (Canada) and the
Ontario Corporations Tax Act (collectively the "Tax Acts"). Under the Electricity Act, 1998, the
Corporation makes payments in lieu of corporate taxes to the Ontario Electricity Financial
Corporation ("OEFC"). These payments are calculated in accordance with the rules for
computing taxable income and taxable capital and other relevant amounts contained in the Tax
Acts as modified by the Electricity Act, 1998, and related regulations. Prior to October 1, 2001,
the Corporation was not subject to income or capital taxes. Payments in lieu of taxes arereferred to as income taxes.
Current tax comprises the expected tax payable or receivable on the taxable income or loss
for the year, using tax rates enacted or substantively enacted at the reporting date, and anyadjustment to tax payable in respect of previous years.
Deferred tax is recognized in respect of temporary differences between the tax basis of assets
and liabilities and their carrying amounts for accounting purposes. Deferred tax assets are
recognized for unused tax losses, unused tax credits and deductible temporary differences to
the extent that it is probable that future taxable profits will be available against which they can
be used. Deferred tax is measured at the tax rates that are expected to be applied to temporary
differences when they reverse, using tax rates enacted or substantively enacted, at thereporting date.
4. Changes to accounting policies
The International Accounting Standards Board (IASB) has issued the following Standards
Interpretations and Amendments to Standards that were adopted by the Company effectiveJanuary 1, 2020:
- Amendments to Hedge Accounting Requirements - IBOR Reform and its Effects on FinancialReporting (Phase 1)
- Amendments to References to the Conceptual Framework in IFRS Standards
- Definition of a Business (Amendments to IFRS 3)
- Definition of Material (Amendments to IAS 1 and IAS 8)
- Covid-19 Related Rent Concessions (Amendment to IFRS 16)

The amendments and clarifications did not have an impact on the financial statements.
At the date of authorization of these financial statements, several new, but not yet effective,
Standards and amendments to existing Standards, and Interpretations have been published by the
IASB. None of these Standards or amendments to existing Standards have been adopted early by
the Corporation and it is still to be determined if any will have a material impact on the Corporation'sfinancial statements.
(a) Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

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(b) Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16)
(c) Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)
(d) Annual Improvements to IFRS Standards 2018 - 2020
(e) Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4and IFRS 16)
(f) Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture
5. Accounts receivable
2020 2019
Trade customer receivables $ 4,520 $ 4,392
Other receivables 719 4,253
Due from related parties 752 491
$ 5,991 $ 9,136
6. Property, plant and equipment
Land and Distribution Other fixed Construction
buildings equipment assets -in-Progress Total
Cost or deemed cost
Balance at January 1, 2020 $ 14,808 $ 67,648 $ 5,287 $ 3,737 $ 91,480
Additions 71 12,506 372 1,383 14,332
Disposals/retirements - (208) (8) - (216)
Balance at December 31, 2020 $ 14,879 $ 79,946 $ 5,651 $ 5,121 $ 105,596
Balance at January 1, 2019 $ 14,770 $ 58,803 $ 5,230 $ 1,267 $ 80,070
Additions 38 8,938 118 2,470 11,564
Disposals/retirements - (93) (61) - (154)
Balance at December 31, 2019 $ 14,808 $ 67,648 $ 5,287 $ 3,737 $ 91,480
Accumulated depreciation
Balance at January 1, 2020 $ 1,258 $ 9,118 $ 2,538 $ - $ 12,914
Depreciation 284 2,127 439 - 2,850
Disposals/retirements - (158) (6) - (164)
Balance at December 31, 2020 $ 1,542 $ 11,087 $ 2,971 $ - $ 15,600
Balance at January 1, 2019 $ 975 $ 7,288 $ 2,126 $ $ 10,389
Depreciation 283 1,857 457 - 2,597
Disposals/retirements - (27) (45) - (72)
Balance at December 31, 2019 $ 1,258 $ 9,118 $ 2,538 $ - $ 12,914
Carrying amounts
At December 31, 2020 $ 13,337 $ 68,859 $ 2,680 $ 5,120 $ 89,996
At December 31, 2019 $ 13,550 $ 58,530 $ 2,749 $ 3,737 $ 78,566
7. Intangible assets
Computer Land
software rights Total
Cost or deemed cost
Balance at January 1, 2020 $ 1,067 $ 397 $ 1,464
Additions 240 - 240
Balance at December 31, 2020 $ 1,307 $ 397 $ 1,704
Balance at January 1, 2019 $ 952 $ 394 $ 1,346
Additions 115 3 118
Balance at December 31, 2019 $ 1,067 $ 397 $ 1,464
Accumulated amortization
Balance at January 1, 2020 $ 871 $ 79 $ 950
Amortization 150 13 163
Balance at December 31, 2020 $ 1,021 $ 92 $ 1,113
Balance at January 1, 2019 $ 745 $ 66 $ 811
Amortization 126 13 139
Balance at December 31, 2019 $ 871 $ 79 $ 950
Carrying amounts

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At December 31, 2020 $ 286 $ 305 $ 591
At December 31, 2019 $ 196 $ 318 $ 514
8. Income tax expense
Current tax expense
2020 2019
Based on current year taxable income $ 242 $ 110
Prior year adjustments 15 (152)
$ 257 $ (42)
Deferred tax expense
2020 2019
Origination and reversal of temporary differences $ 496 $ 570
$ 496 $ 570
Reconciliation of effective tax rate
2020 2019
Income before income taxes $ 3,370 $ 3,211
Canada and Ontario statutory Income tax rates 26.5% 26.5%
Expected tax provision on income at statutory rates 893 851
Increase (decrease) in income taxes resulting from:
Permanent differences 3 2
Prior period adjustment (19) (120)
Regulatory adjustment (131) (150)
Other 7 (79)
Income tax expense $ 753 $ 504
Significant components of the Corporation's deferred tax balances
2020 2019
Deferred tax assets (liabilities):
Property, plant and equipment $ (1,848) $ (1,338)
Post-employment benefits 35 27
Corporate minimum tax 5 -
Other - -
$ (1,808) $ (1,311)
9. Regulatory balances
Reconciliation of the carrying amount for each class of regulatory balances
Remaining
recovery/
January 1, Recovery/ December 31, reversal
Regulatory deferral account debit balances 2020 Additions reversal 2020 years
Retail settlement variances $ 7,338 $ 2,555 $ (4,739) $ 5,154 2-3
Deferred income tax 1,784 675 - 2,459 -
Regulatory variances disposition - 1,385 - 1,385 -
Other 151 49 (25) 175 1-3
$ 9,273 $ 4,664 $ (4,764) $ 9,173
Remaining
recovery/
January 1, Recovery/ December 31, reversal
Regulatory deferral account debit balances 2019 Additions reversal 2019 years
Retail settlement variances $ 5,826 $ 1,512 $ - $ 7,338 2-3
Deferred income tax 1,009 775 - 1,784 -
Regulatory variances disposition - - - - -
Other 171 50 (70) 151 1-3
$ 7,006 $ 2,337 $ (70) $ 9,273
January 1, Recovery/ December 31, Remaining
Regulatory deferral account credit balances 2020 Additions reversal 2020 years
Retail settlement variances $ 1,867 $ 560 $ (1,784) $ 643 2-3
Deferred income tax on regulatory asset 472 179 - 651 -
Regulatory variances disposition 483 - (483) - 1-3

Corporation's name	Business number	Tax year end Year Month Day
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Other 443 118 (228) 333 -
$ 3,265 $ 857 $ (2,495) $ 1,627
January 1, Recovery/ December 31, Remaining
Regulatory deferral account credit balances 2019 Additions reversal 2019 years
Retail settlement variances $ 2,573 $ 129 $ (835) $ 1,867 2-3
Deferred income tax on regulatory asset 267 205 - 472 -
Regulatory variances disposition 284 199 - 483 1-3
Other 70 373 - 443 -
$ 3,194 $ 906 $ (835) $ 3,265
The COVID-19 emergency deferral account comprises of five sub-accounts established to track
incremental costs and lost revenues related to the COVID-19 pandemic: (i) Billing and System
Changes as a Result of the Emergency Order Regarding Time-of-Use Pricing, (ii) Lost Revenues
Arising from the COVID-19 Emergency, (iii) Other Incremental Costs, (iv)
Foregone Revenues fromPostponing Rate Implementation, and (v) Bad Debt.
9. Regulatory balances (continued)
On December 16, 2020, the OEB Staff released their proposal on the COVID-19 deferral accounts
which introduces certain criteria to that may need to be satisfied for amounts to be eligible for
recovery. Based on this information, management believes there is high uncertainty in regards to
the recoverability of costs and lost revenues related to government and OEB customer relief
actions, and therefore a low probability of recovery. Costs directly related to the implementation of
safety measures as a result of the COVID-19 pandemic were tracked. No amounts have been
recorded in the COVID-19 Emergency Deferral Account as at December 31, 2020.
The regulatory balances are recovered or settled through rates approved by the OEB which are
determined using estimates of future consumption of electricity by its customers. Future
consumption is impacted by various factors including the economy and weather. The Corporation
has received approval from the OEB to establish its regulatory balances.
Settlement of the Group 1 deferral accounts is done on an annual basis through application to the
OEB. The OEB requires the Corporation to estimate its income taxes when it files a COS
application to set its rates. As a result, the Corporation has recognized a regulatory deferral
account for the amount of deferred taxes that will ultimately be recovered from/paid back to its
customers. This balance will fluctuate as the Corporation's deferred tax balance fluctuates.
Regulatory deferral accounts attract interest at OEB prescribed rates. With the exception of
Pension and OEB Forecast Accrual accounts (OPEBs), the rates from January to June 2020 were
2.18%, and July to December 2020 were 0.57%. Prior year rates from January to
March 2019 were2.45%, April to December 2019 were 2.18%.
In 2020, OPEBs were 2.88% for the period January to March, 2.48% for the period April to

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September and 2.03% for period October to December. In 2019, OPEBs were 3.82%
for the period
January to March, 3.39% for the period April - June and 2.88% for the period
July to December.10. Accounts payable and accrued liabilities
2020 2019
Power purchases $ 1,209 $ 2,535
Trade payables 2,300 1,513
Due to related parties 3,888 3,715
Other 1,055 487
$ 8,452 $ 8,250
11. Long-term debt
2020 2019
Term loan, interest at 4.05%, payable in monthly
instalments, due 2022, secured by a General
Security Agreement $ 2,948 $ 3,085
Term loan, interest at 3.81%, payable in monthly
instalments, due 2022, secured by a General
Security Agreement 3,072 3,201
Term loan, interest at 4.59%, payable in monthly
instalments, due 2023, secured by a General
Security Agreement 2,471 2,557
Term loan, interest at 3.96%, payable in monthly
instalments, due 2024, secured by a General
Security Agreement 1,746 1,790
Term loan, interest at 3.91%, payable in monthly
instalments, due 2024, secured by a General
Security Agreement 1,760 1,803
Term loan, interest at 3.68%, payable in monthly
instalments, due 2025, secured by a General
Security Agreement 1,759 1,803
Term loan, interest at 1.54%, payable in monthly
instalments, due 2025, secured by a General
Security Agreement 10,717 11,071
Term loan, interest at 3.48%, payable in monthly
instalments, due 2026, secured by a General
Security Agreement 2,663 2,728
Term loan, interest at 4.09%, payable in monthly
Instalments, due 2026, secured by a General
Security Agreement 1,606 1,637
Ontario Infrastructure loan, interest at 3.91%,
payable in semi-annual instalments, due 2026
secured by a General Security Agreement 1,000 1,167
Term loan, interest at 3.60%, payable in monthly
instalments, due 2027, secured by a General
Security Agreement 2,858 2,922
Term loan, interest at 1.92%, payable in monthly
instalments, due 2030, secured by a General
Security Agreement 1,269 1,372
Term loan, interest at 3.28%,
payable in monthly instalments, due 2049
secured by a General Security Agreement 2,329 2,376
36,198 37,512
Less current portion of long-term debt (1,315) (1,258)
$ 34,883 $ 36,254
11. Long-term debt (continued)
Principal payment due in each of the next five years are as follows:

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2021 $ 1,315
2022 6,799
2023 3,278
2024 4,136
2025 11,530
Thereafter 9,140
As of December 31, 2020, the Company has a bank overdraft of $3,313 ($2,806 - 2019). Bank overdrafts are repayable on demand and form an integral part of the Company's cash management.Interest accrues daily at Prime less 1.90%.
12. Leases
Vehicle
Right-of-use Asset Leases
Cost or deemed cost
Balance at January 1, 2020 $ 171
Additions 227
Balance at December 31, 2020 $ 398
Balance at January 1, 2019 $ -
Additions 171
Balance at December 31, 2019 $ 171
Accumulated amortization
Balance at January 1, 2020 $ 21
Amortization 97
Balance at December 31, 2020 $ 118
Balance at January 1, 2019 $ -
Amortization 21
Balance at December 31, 2019 $ 21
Carrying amounts
At December 31, 2020 $ 280
At December 31, 2019 $ 150
12. Leases (continued)
Vehicle
Lease Liability Leases
Balance at January 1, 2020 $ 150
Additions 227
Repayments (104)
Interest 13
Balance at December 31, 2020 $ 286
Balance at January 1, 2019 $ -
Additions 171
Repayments (25)
Interest 4
Balance at December 31, 2019 $ 150
Lease liabilities include a current portion of $46, with the remaining balance due over the following two years. Certain leases held by the Corporation provide the Corporation with extension options and termination options that may impact the term of the Lease which can impact the finance lease liability recognized in the statement of financial position. The Corporation has determined the lease term for all contracts based on all available information as at the reporting date.13. Post-employment benefits
(a) OMERS pension plan
The Corporation provides a pension plan for its employees through OMERS. The plan is a

multi-employer, contributory defined pension plan with equal contributions by the employer and
its employees. In 2020, the Corporation made employer contributions of $498 to OMERS (2019
- $404) which has been recognized in profit or loss. The Corporation estimates that a
contribution of $400 to OMERS will be made during the next fiscal year.
As at December 31, 2020, OMERS had approximately 525,000 members, of whom 42
arecurrent employees of the Corporation. The most recently available OMERS annual report is
for the year ended December 31, 2020, which reported that the plan was 97% funded, with an
unfunded liability of $3.2 billion. This unfunded liability may result in
extra future payments byparticipating employers and members.
(b) Post-employment benefits other than pension
The Corporation pays certain medical and life insurance benefits on behalf of some of its retired
employees. The Corporation recognizes these post-employment benefits in the year in which
employees' services were rendered. The Corporation is recovering its post-employment
benefits in rates based on the expense and remeasurements recognized for post-employmentbenefit plans.
Reconciliation of the obligation 2020 2019
Defined benefit obligation, beginning of year $ 100 $ 178
Included in profit or loss
Current service cost 13 9
Interest cost 3 3
Included in other comprehensive income
Actuarial Loss arising from changes in financial assumptions 15 (90)
131 100
Benefits paid - -
Defined benefit obligation, end of year $ 131 $ 100
Actuarial assumptions 2020 2019
Discount (interest) rate 3.80% 3.80%
Salary levels 3.10% 3.10%
Medical Costs 6.50% 6.50%
Dental Costs 4.00% 4.00%
(b) Post-employment benefits other than pension (continued)
A 1% increase in the assumed discount rate would result in the defined benefit obligation
decreasing by $18. A 1% decrease in the assumed discount rate would result in
the definedbenefit obligation increasing by $20.
14. Share capital
2020 2019
Authorized:
Unlimited number of common shares
Unlimited number of preferred shares
Issued:
1,000 common shares, no par value $ 10,852 $ 10,852
15. Other revenue
2020 2019
Collection and other service charges $ 221 $ 209
Billing and other services 303 233
Rent 391 323
Recognition of contributions in aid of construction 742 540

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Other 53 199
$ 1,710 $ 1,504
16. Employee salaries and benefits
2020 2019
Salaries, wages and benefits $ 4,052 $ 3,911
CPP and EI remittances 332 276
Contributions to OMERS 498 404
$ 4,882 $ 4,591
17. Finance income and costs
2020 2019
Finance income
Interest income on bank deposits $ 1 $ 5
Finance costs
Interest expense on long-term debt (1,284) (1,377)
Interest expense on customer deposits (72) (44)
Other (7) (13)
Interest expense on capital lease (13) (4)
(1,376) (1,398)
Net finance costs recognized in profit or loss $ (1,375) $ (1,393)
18. Commitments and contingencies
General Liability Insurance
The Corporation is a member of the Municipal Electric Association Reciprocal Insurance Exchange
(MEARIE). MEARIE is a pooling of public liability insurance risks of many of the LDCs in Ontario.
All members of the pool are subjected to assessment for losses experienced by the pool for the
years in which they were members, on a pro-rata basis based on the total of their respective service
revenues. As at December 31, 2020, no assessments have been made.
19. Related party transactions
(a) Parent and ultimate controlling party
The sole shareholder of the Corporation is the Town of Innisfil. The Town
producesconsolidated financial statements that are available for public use.
(b) Outstanding balances with related parties
2020 2019
Town of Innisfil - receivable $ 150 $ 183
InnServices Utilities Inc. - receivable 234 -
InnServices Utilities Inc. - payable (3,888) (3,715)
Innterprises Inc. - receivable 368 308
$ (3,136) $ (3,224)
(c) Transactions with related parties
The Corporation delivers electricity to the Town throughout the year for the electricity needs of
the Town and its related organizations. Electricity delivery charges are at
prices and underterms approved by the OEB.
The Corporation also provides electricity and other services, including water and wastewater
billing and collection, to InnServices Utilities Inc, an affiliate company. Electricity delivery
charges are at prices and under terms approved by the OEB. Revenue includes $1,351 (2019
- $1,314) from InnServices Utilities Inc. for financial, billing, and other services.(d) Key management personnel
The key management personnel of the Corporation have been defined as members of its board

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of directors and executive management team members. The compensation paid or
payable isas follows:
2020 2019
Directors' fees $ 53 $ 50
Salaries and other benefits 943 720
$ 996 $ 770
20. Financial instruments and risk management
Fair value disclosure
The carrying values of cash, accounts receivable, unbilled revenue, due
from/to related parties and
accounts payable and accrued liabilities approximate fair value because of
the short maturity of
these instruments. The carrying value of the customer deposits approximates
fair value becausethe amounts are payable on demand.
The fair value of the long-term debt at December 31, 2020 is $36,297 (2019 -
$36,038). The fair
value is calculated based on the present value of future principal and
interest cash flows,
discounted at the current rate of interest at the reporting date.
Financial risks
The Corporation understands the risks inherent in its business and defines
them broadly as
anything that could impact its ability to achieve its strategic objectives.
The Corporation's exposure
to a variety of risks such as credit risk, interest rate risk, and liquidity
risk, as well as relatedmitigation strategies are discussed below.
(a) Credit risk
Financial assets carry credit risk that a counterparty will fail to discharge
an obligation which
could result in a financial loss. Financial assets held by the Corporation,
such as accounts
receivable, expose it to credit risk. The Corporation earns its revenue from
a broad base of
customers located in the Town of Innisfil and South Barrie. As at December
31, 2020, no single
customer accounts for a balance in excess of 10% of total accounts receivable
(2019 - none).
The carrying amount of accounts receivable is reduced through the use of an
allowance for
impairment and the amount of the related impairment loss is recognized in
profit or loss.
Subsequent recoveries of receivables previously provisioned are credited to
profit or loss. The
balance of the allowance for impairment at December 31, 2020 is $110 (2019 -
$60). Animpairment loss of $238 (2019 - $40) was recognized during the year.
The Corporation's credit risk associated with accounts receivable is
primarily related to
payments from distribution customers. At December 31, 2020, approximately
$160 (2019 -
$164) is considered 90 days past due. The Corporation has over 17,000
customers, the
majority of whom are residential. Credit risk is managed through collection
of security deposits
from customers in accordance with directions provided by the OEB and through
credit
insurance. As at December 31, 2020, the Corporation holds security deposits

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in the amountof $39 (2019 - $39).
(b) Market risk
Market risks primarily refer to the risk of loss resulting from changes in commodity prices,
foreign exchange rates, and interest rates. The Corporation currently does not have any
material commodity or foreign exchange risk. The Corporation is exposed to fluctuations in
interest rates as the regulated rate of return for the Corporation's distribution business is
derived using a complex formulaic approach which is in part based on the forecast for long-term
Government of Canada bond yields. This rate of return is approved by the OEB as part of theapproval of distribution rates.
A 1% increase in the interest rate at December 31, 2020, would have increased interest
expense on the long-term debt by $383, assuming all other variables remain constant. A 1%
decrease in the interest rate would have an equal but opposite effect.
(c) Liquidity risk
The Corporation monitors its liquidity risk to ensure access to sufficient funds to meet
operational and investing requirements. The Corporation's objective is to ensure that sufficient
liquidity is on hand to meet obligations as they fall due while minimizing interest exposure. The
Corporation has access to a $6,000 line of credit facility and monitors cash balances daily to
ensure that a sufficient level of liquidity is on hand to meet financial commitments as they
become due. As at December 31, 2020, $3,313 had been drawn under the Corporation's creditfacility (2019 - $2,806).
The Corporation also has a letter of credit facility for $938 for the purpose of issuing letters of
credit mainly to support the prudential requirements of the IESO, of which $nil has been drawnand posted with the IESO (2019 - $nil).
The majority of accounts payable, as reported on the statement of financial position, are duewithin 30 days.
(d) Capital disclosures
The main objectives of the Corporation, when managing capital, are to ensure ongoing access
to funding to maintain and improve the electricity distribution system, compliance with
covenants related to its credit facilities, prudent management of its capital structure with regard
for recoveries of financing charges permitted by the OEB on its regulated electricity distribution
business, and to deliver the appropriate financial returns.
The Corporation's definition of capital includes shareholder's equity and long-term debt. As at
December 31, 2020, shareholder's equity amounts to $27,834 (2019 - $25,217) and long-termdebt amounts to $36,198 (2019 - $37,512).
Impact of COVID-19:
On March 11, 2020, the World Health Organization declared that the COVID-19 outbreak was a
global pandemic. On March 17, 2020, the Ontario Government declared a State

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of Emergency
pursuant to the Emergency Management and Civil Protection Act. The Ontario Government
renewed the declaration, as required by the legislation, until July 24, 2020. During the State of
emergency, the Ontario Government issued emergency orders under the legislation and extended
them as required by the legislation. On July 24, 2020, the Reopening Ontario (A Flexible Response
to COVID-19) Act, 2020 came into effect, bringing the declared State of Emergency to an end. The
Reopening Ontario Act also enabled the Ontario Government to extend, amend, and revoke the
remaining emergency orders in order to facilitate a flexible response to the ongoing COVID-19risks.
On March 19, 2020, the OEB extended the ban on disconnecting residential customers to July
31,2020, in light of the COVID-19 pandemic. For the same reason, at the same time, the OEB also
banned the disconnection of other low volume customers (as defined in the OEB Act) prior to July
31, 2020. In addition, the Corporation extended its ban on disconnecting residential and low volume
customers until the transition back into the OEB's annual recurring winter disconnection ban onNovember 15, 2020.
On March 24, 2020, the Ontario Government issued an emergency order setting TOU rates for
onpeak, mid-peak, and off-peak at 10.1 cents per kWh, which prior to the emergency order was
the TOU off-peak rate. That emergency order was effective through May 7, 2020. On May 6, 2020,
the Ontario Government issued an emergency order extending those TOU rates through May 31,2020.
On May 30, 2020, the Ontario Government announced the COVID-19 Recovery Rate, setting a
fixed TOU electricity price at 12.8 cents per kWh, 24 hours a day, seven days a week, effective
June 1,2020 until October 31, 2020. On October 13, 2020, the OEB announced new TOU rates for
onpeak, mid-peak, and off-peak, that once again vary according to when electricity is used,
effective November 1, 2020. There was no impact to net income to the Corporation.
On March 25, 2020, the OEB established a deferral account for regulatory balances to record the
costs of changes to billing systems resulting from the Ontario Government's TOU emergency order,
other incremental costs and lost revenues associated with the COVID-19 pandemic. On May 14,
2020, the OEB launched a consultation process to inform its decision-making with respect to how
the account will operate, including eligibility requirements, and the process and timing for the
disposition. On December 16, 2020, OEB staff issued a proposal with respect to the deferralaccount and related consultation (Note 9).
On August 20, 2020, the Ontario Government amended O. Reg. 95/05 Classes of

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Consumers and
Determination of Rates. Accordingly, customers on the RPP have the choice to pay TOU rates or
tiered rates, effective November 1, 2020. By default, RPP customers will pay TOU rates. RPP
customers who choose to pay tiered rates will pay a lower rate for consumption below a monthly
threshold, and a higher rate for consumption above that threshold. The tiered rates and the
threshold are set by the OEB twice per year, at the same time as the OEB sets TOU rates. Therewas no impact to net income to the Corporation.
On December 15, 2020, the OEB announced new RPP TOU and tiered rates to reflect a decrease
in supply cost resulting from the Ontario Government's decision to remove certain renewable
generation costs from the global adjustment and funding them directly through the tax base. The
reduction was accompanied by a corresponding reduction to the Ontario Electricity Rebate. Therewas no net income impact to the Corporation.
On December 22, 2020, the Ontario Government amended O. Reg. 95/05 Classes of Consumers
and Determination of Rates, setting both the TOU rates for on-peak, mid-peak, and off-peak and
tiered rates at the TOU off-peak rate of 8.5 cents per kWh. That regulatory amendment was
effective through January 28, 2021, and most recently extended until February 22, 2021. On
February 23, 2021, residential and small business customers resumed paying TOU and tiered
pricing under the RPP at prices that were set by the OEB on December 15, 2020. There was nonet income impact to the Corporation.
22. Comparative figures
Certain of the prior year comparative figures have been restated to conform to the current year'spresentation.

Canada Revenue Agency / Agence du revenu du Canada

Net Income (Loss) for Income Tax Purposes

Schedule 1

Corporation's name	Business number	Tax year-end Year Month Day
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- Use this schedule to reconcile the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes. For more information, see the T2 Corporation – Income Tax Guide.
- All legislative references are to the Income Tax Act.

	Line	Amount		
Net income (loss) after taxes and extraordinary items from line 9999 of Schedule 125			2,617,000	A

Add:

	Line	Amount		
Provision for income taxes – current	101	257,000		
Provision for income taxes – deferred	102	496,000		
Interest and penalties on taxes	103	5,893		
Amortization of tangible assets	104	2,942,000		
Loss on disposal of assets	111	13,000		
Non-deductible meals and entertainment expenses	121	4,087		
Reserves from financial statements – balance at the end of the year	126	131,083		
Subtotal of additions		3,849,063 ▶	3,849,063	

Other additions:

Miscellaneous other additions:

	1 Description 605	2 Amount 295
1	Inducement under 12(1)(x) ITA	8,570,291
2	Amortization expensed in distribution expenses	81,144
3	Customer Deposits - paragraph 20(1)(a)	39,000
4	Amortization of Capital Lease	97,000
	Total of column 2	8,787,435

	Line	Amount		
Total of column 2 ▶	296	8,787,435		
Subtotal of other additions	199	8,787,435 ▶	8,787,435	D
Total additions	500	12,636,498 ▶	12,636,498	
Amount A **plus** line 500			15,253,498	B

Deduct:

	Line	Amount		
Capital cost allowance from Schedule 8	403	4,129,248		
Reserves from financial statements – balance at the beginning of the year	414	100,083		
Subtotal of deductions		4,229,331 ▶	4,229,331	

Other deductions:

Miscellaneous other deductions:

	1 Description 705	2 Amount 395
1	13(7.4) electon re contributed capital	8,545,000
2	Capital Lease payments	91,000
3	Customer Deposits - paragraph 20(1)(m)	39,000
4	Amortization of deferred contribution	733,000
5	2020 tax movement in reg. account	496,000
	Total of column 2	9,904,000

Total of column 2 ▶ 396 9,904,000

Subtotal of other deductions	499	9,904,000 ▶	9,904,000	E
Total deductions	510	14,133,331 ▶	14,133,331	
Net income (loss) for income tax purposes (amount B **minus** line 510)			1,120,167	C

Enter amount C on line 300 of the T2 return.

T2 SCH 1 E (19) Canada

Inducement

This form is used to calculate inducements that a corporation must add to its income under paragraph 12(1)(x) ITA. If an amount reduces the capital cost of a property, this amount will be indicated in Part "Tax credits whose amount should reduce the capital cost of property."

If you want to transfer an amount to Schedule 1 and include it in the corporation's income for tax purposes, select the corresponding check box in column A. You can also select the option **Select this check box to add all the amounts to income calculated in Schedule 1** to transfer all the amounts to Schedule 1. In either case, the column A check box will be selected for that amount and it will therefore be updated to Schedule 1.

Tax credits whose amount should be added to income

Ontario

A		
X	Portion of the Ontario research and development tax credit that relates to the prescribed proxy amount (PPA) and portion of the Ontario investment tax credit that relates to contributions made to SR&ED farming organizations	7,777
X	Ontario co-operative education tax credit	17,514
	Ontario apprenticeship training tax credit	
	Ontario computer animation and special effects tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Ontario film and television tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Ontario production services tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Ontario interactive digital media tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Ontario book publishing tax credit	
	Portion of the Ontario innovation tax credit that relates to the prescribed proxy amount (PPA) and portion of the Ontario investment tax credit that relates to contributions made to SR&ED farming organizations	
	Ontario business-research institute tax credit	
	Ontario community food program donation tax credit for farmers	

Other amounts

A		
X	Contributed capital for fixed assets	8,545,000
	Total	8,545,000

Tax credits whose amount should reduce the capital cost of property

Canada Revenue Agency / Agence du revenu du Canada

Schedule 5

Tax Calculation Supplementary – Corporations

Corporation's name	Business Number	Tax year-end Year Month Day
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- Use this schedule if, during the tax year, your corporation:
  - had a permanent establishment in more than one jurisdiction (corporations that have no taxable income should only complete columns A, B, and D in Part 1)
  - is claiming provincial or territorial tax credits or rebates (see Part 2), or
  - has to pay taxes, other than income tax, for Newfoundland and Labrador, or Ontario (see Part 2).
- All legislative references are to the Income Tax Regulations.
- For more information, see the T2 Corporation – Income Tax Guide.
- For the regulation number to be entered in field 100 of Part 1, see the chart below.

Part 1 – Allocation of taxable income

100 ______________________ Enter the regulation that applies (402 to 413)

A Jurisdiction. Tick yes if your corporation had a permanent establishment in the jurisdiction during the tax year *		B Total salaries and wages paid in jurisdiction	C (B x taxable income) / G	D Gross revenue attributable to jurisdiction	E (D x taxable income) / H	F Allocation of taxable income (C + E) x 1/2** (where either G or H is nil, do not multiply by 1/2)
Newfoundland and Labrador	003 Yes ☐	103		143		
Newfoundland and Labrador Offshore	004 Yes ☐	104		144		
Prince Edward Island	005 Yes ☐	105		145		
Nova Scotia	007 Yes ☐	107		147		
Nova Scotia Offshore	008 Yes ☐	108		148		
New Brunswick	009 Yes ☐	109		149		
Quebec	011 Yes ☐	111		151		
Ontario	013 Yes ☐	113		153		
Manitoba	015 Yes ☐	115		155		
Saskatchewan	017 Yes ☐	117		157		
Alberta	019 Yes ☐	119		159		
British Columbia	021 Yes ☐	121		161		
Yukon	023 Yes ☐	123		163		
Northwest Territories	025 Yes ☐	125		165		
Nunavut	026 Yes ☐	126		166		
Outside Canada	027 Yes ☐	127		167		
Total		129 G		169 H		

* **Permanent establishment** is defined in subsection 400(2)

** For corporations other than those described under section 402, use the appropriate calculation described in the Regulations to allocate taxable income.

Notes:
1. After determining the allocation of taxable income, you have to calculate the corporation's provincial or territorial tax payable. For more information on how to calculate the tax for each province or territory, see the instructions for Schedule 5 in the T2 Corporation – Income Tax Guide.
2. If your corporation has provincial or territorial tax payable, complete Part 2.
3. If your corporation is a member of a partnership and the partnership had a permanent establishment in a jurisdiction, select the jurisdiction in Column A and include your proportionate share of the partnership's salaries and wages and gross revenue in columns B and D, respectively.

Part 2 – Ontario tax payable, tax credits, and rebates

Total taxable income	Income eligible for small business deduction	Provincial or territorial allocation of taxable income	Provincial or territorial tax payable before credits

Ontario basic income tax (from Schedule 500)	270		
Ontario small business deduction (from Schedule 500)	402		
Subtotal (line 270 **minus** line 402)		►	5A
Ontario transitional tax debits (from Schedule 506)	276		
Recapture of Ontario research and development tax credit (from Schedule 508)	277		
Subtotal (line 276 **plus** line 277)		►	5B
Gross Ontario tax (amount 5A **plus** amount 5B)			5C
Ontario resource tax credit (from Schedule 504)	404		
Ontario tax credit for manufacturing and processing (from Schedule 502)	406		
Ontario foreign tax credit (from Schedule 21)	408		
Ontario credit union tax reduction (from Schedule 500)	410		
Ontario political contributions tax credit (from Schedule 525)	415		
Ontario non-refundable tax credits (total of lines 404 to 415)		►	5D
Subtotal (amount 5C **minus** amount 5D) (if negative, enter "0")			5E
Ontario research and development tax credit (from Schedule 508)		416	
Ontario corporate income tax payable before Ontario corporate minimum tax credit and Ontario community food program donation tax credit for farmers (amount 5E **minus** line 416) (if negative, enter "0")			5F
Ontario corporate minimum tax credit (from Schedule 510)		418	
Ontario community food program donation tax credit for farmers (from Schedule 2)		420	
Ontario corporate income tax payable (amount 5F **minus** the total of lines 418 and 420) (if negative, enter "0")			5G
Ontario corporate minimum tax (from Schedule 510)	278		
Ontario special additional tax on life insurance corporations (from Schedule 512)	280		
Subtotal (line 278 **plus** line 280)		►	5H
Total Ontario tax payable before refundable tax credits (amount 5G **plus** amount 5H)			5I
Ontario qualifying environmental trust tax credit	450		
Ontario co-operative education tax credit (from Schedule 550)	452		
Ontario apprenticeship training tax credit (from Schedule 552)	454		
Ontario computer animation and special effects tax credit (from Schedule 554)	456		
Ontario film and television tax credit (from Schedule 556)	458		
Ontario production services tax credit (from Schedule 558)	460		
Ontario interactive digital media tax credit (from Schedule 560)	462		
Ontario book publishing tax credit (from Schedule 564)	466		
Ontario innovation tax credit (from Schedule 566)	468		
Ontario business-research institute tax credit (from Schedule 568)	470		
Ontario regional opportunities investment tax credit (from Schedule 570)	472		
Ontario refundable tax credits (total of lines 450 to 472)		►	5J
Net Ontario tax payable or refundable tax credit (amount 5I **minus** amount 5J) (if a credit, enter amount in brackets) Include this amount on line 255.		290	

Summary

Enter the total net tax payable or refundable tax credits for all provinces and territories on line 255.

Net provincial and territorial tax payable or refundable tax credits 255

If the amount on line 255 is positive, enter the net provincial and territorial tax payable on line 760 of the T2 return.
If the amount on line 255 is negative, enter the net provincial and territorial refundable tax credits on line 812 of the T2 return.

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Schedule 7

Aggregate Investment Income and Income Eligible for the Small Business Deduction

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2020-12-31

- Use this schedule if you are a Canadian-controlled private corporation (CCPC) to calculate:
  - your aggregate investment income and foreign investment income, as defined in subsection 129(4), to determine the refundable portion of Part I tax, and your adjusted aggregate investment income, as defined in subsection 125(7), for the purpose of the business limit reduction
  - your **specified partnership income**, as defined in subsection 125(7), if you are a member (or **designated member**) of one or more partnerships, and
  - your income from an active business carried on in Canada eligible for the small business deduction including any **specified corporate income** as defined in subsection 125(7)
- Use this schedule if another CCPC is making an assignment of **business limit** under subsection 125(3.2) to you.
- Use this schedule if you are a corporation that is a member of a partnership to assign **specified partnership business limit** to a **designated member** under subsection 125(8).
  Note: If you are a corporation that is not a CCPC, **only** complete Table 1 (columns A1, B1, C1, G1, H1 and J1) and Table 3 to make this assignment.
- The adjusted aggregate investment income, for the purpose of the business limit reduction, also applies to a tax year of a corporation that begins before 2019 and ends after 2018 under the following circumstances:
  - the corporation's preceding tax year was, because of a transaction or event or a series of transactions or events, shorter than it would have been in the absence of that transaction, event or series, and
  - one of the reasons for the transaction, event or series was to defer the application of subsections 125(5.1), (5.2) and (7) to the corporation
- All legislative references are to the Income Tax Act.
- For more information, see **Small Business Deduction** and **Refundable Portion of Part I Tax** in Guide T4012, T2 Corporation – Income Tax Guide.
- See the notes at the end of the form.

Part 1 – Aggregate investment income

Aggregate investment income is all **world** source income.

Description	Line	Amount		Amount	
Eligible portion of taxable capital gains for the year	002				
Eligible portion of allowable capital losses for the year (including allowable business investment losses)	012				
Net capital losses of previous years claimed on line 332 on the T2 return	022				
Subtotal (line 012 **plus** line 022)			►		A
Line 002 **minus** amount A (if negative, enter "0")					B
Total income from property (include income from a specified investment business carried on in Canada other than income from a source outside Canada)	032	1,000			
Exempt income	042				
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for the year	052				
Taxable dividends deductible (total of column F on Schedule 3 **minus** related expenses)	062				
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)	072				
Subtotal (**add** lines 042, 052, 062 and 072) ►					C
Subtotal (line 032 **minus** amount C)		1,000	►	1,000	D
Amount B **plus** amount D				1,000	E
Total losses from property (include losses from a specified investment business carried on in Canada other than a loss from a source outside Canada)	082				
Amount E **minus** line 082 (if negative, enter "0") (enter on line 440 of the T2 return)	092			1,000	

Part 2 – Adjusted aggregate investment income

Eligible portion of taxable capital gains for the year (other than taxable capital gains from the disposition of an active asset note 13)			705	
Eligible portion of allowable capital losses for the year (including allowable business investment losses) (other than allowable capital losses from the disposition of an active asset note 13)			710	
Subtotal (line 705 **minus** line 710) (if negative, enter "0")				F
Total income from property note 14		715	1,000	
Exempt income	720			
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for the year	725			
Dividends from connected corporations	730			
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)	735			
Subtotal (**add** lines 720, 725, 730 and 735)		►	G	
Subtotal (line 715 **minus** amount G)			1,000 ►	1,000 H
Amount F **plus** amount H				1,000 I
Total losses from property note 14			740	
Amount, if any, deducted under subsection 91(4) in computing the corporation's income for the year			741	
Adjusted aggregate investment income (amount I **minus** line 740, **plus** line 741) (if negative, enter "0")			745	1,000

If this is your first tax year starting after 2018, complete the following portion.

Eligible portion of taxable capital gains for each tax year that ended in the preceding calendar year (other than taxable capital gains from the disposition of an active asset note 13)			2A
Eligible portion of allowable capital losses for each tax year that ended in the preceding calendar year (including allowable business investment losses)(other than allowable capital losses from the disposition of an active asset note 13)			2B
Subtotal (amount 2A **minus** amount 2B) (if negative, enter "0")			2C
Total income from property for each tax year that ended in the preceding calendar year note 14		2D	
Exempt income for each tax year that ended in the preceding calendar year	2E		
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for each tax year that ended in the preceding calendar year	2F		
Dividends from connected corporations for each tax year that ended in the preceding calendar year	2G		
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a) for each tax year that ended in the preceding calendar year	2H		
Subtotal (**add** amounts 2E, 2F, 2G and 2H)	►	2I	
Subtotal (amount 2D **minus** amount 2I)		►	2J
Amount 2C **plus** amount 2J			2K
Total losses from property for each tax year that ended in the preceding calendar year note 14			2L
Amount, if any, deducted under subsection 91(4) in computing the corporation's income for each tax year that ended in the preceding calendar year			742
Adjusted aggregate investment income (amount 2K **minus** amount 2L, **plus** line 742) (if negative, enter "0")			744

(enter the total of line 744 and the adjusted aggregate investment income of all associated corporations on line 417 of the T2 return)

Part 3 – Foreign investment income

Foreign investment income is all income from sources **outside Canada**.

Eligible portion of taxable capital gains for the year			001	
Eligible portion of allowable capital losses for the year (including allowable business investment losses)			009	
Subtotal (line 001 **minus** line 009) (if negative, enter "0")				J
Total income from property from a source **outside Canada** (net of related expenses)		019		
Exempt income	029			
Taxable dividends deductible (total of column F on Schedule 3 **minus** related expenses)	049			
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)	059			
Subtotal (**add** lines 029, 049, and 059)	►	K		
Subtotal (line 019 **minus** amount K)		►		L
Amount J **plus** amount L				M
Total losses from property from a source **outside Canada**			069	
Amount M **minus** line 069 (if negative, enter "0") (enter on line 445 of the T2 return)			079	

Part 3A – Canadian and foreign investment income and adjusted aggregate investment income calculation

	A Canadian investment income	B Foreign investment income	C Adjusted aggregate investment income*	
Eligible portion of the taxable capital gains for the year before taking into account the capital gains reserves (federal) of Schedule 13*				1.1
Eligible portion of capital gains reserves (addition/deduction)*, **				1.2
Taxable capital gains under section 34.2 (line 275 on Schedule 73)**				1.3
Eligible portion of the taxable capital gains for the year (**add** amounts 1.1, 1.2, and 1.3)				1
Eligible portion of allowable capital losses for the year (including allowable business investment losses)*				2.1
Net capital losses of previous years (line 332 on the T2 return)				2.2
Allowable capital losses under section 34.2 (line 285 of Schedule 73)**				2.3
Allowable capital losses for the year (**add** amounts 2.1, 2.2 and 2.3)				2
Amount 1 **minus** amount 2 (if negative, enter "0")				3
Taxable dividends				4.1
Rental property income (under regulation 1100(11))				4.2
Other property income*	1,000		1,000	4.3
Property income under section 34.2 (line 280 of Schedule 73)**				4.4
Total property income (**add** amounts 4.1, 4.2, 4.3 and 4.4)	1,000		1,000	4
Exempt income				5.1
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for the year				5.2
Taxable dividends deductible (total of column F on Schedule 3 **minus** related expenses)*				5.3
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)				5.4
Add amounts 5.1, 5.2, 5.3 and 5.4				5
Amount 4 **minus** amount 5	1,000		1,000	6
Amount 3 **plus** amount 6	1,000		1,000	7
Rental property losses (under regulation 1100(11))				8.1
Dividend losses				8.2
Other property losses*				8.3
Property losses under section 34.2 (line 280 of Schedule 73)**				8.4
Total property losses (**add** amounts 8.1, 8.2, 8.3 and 8.4)				8
Amount 7 **minus** amount 8 (if negative, enter "0")	1,000			9
Amount, if any, deducted under subsection 91(4) in computing the corporation's income for the year				10
Amount 7 **minus** amount 8 **plus** amount 10 (if negative, enter “0”)			1,000	11

* To calculate the adjusted aggregate investment income under column C:

- On lines 1.1, 1.2 and 2.1, only capital gains and losses resulting from the disposition of property other than an active asset (as defined under subsection 125(7) ITA) are to be taken into account.
- On line 4.3, include amounts in respect of a life insurance policy that are included in computing the corporation's income for the year (even if those amounts are not included in the calculation of the corporation's investment income in column A and B) as well as the income from a specified foreign investment business.
- On line 5.3, only the dividends received from a connected corporation should be included.
- On line 8.3, include the loss from a specified foreign investment business.

For more information on the calculation of the adjusted aggregate investment income, consult notes 13 and 14 at the end of this form as well as the Help (F1).

** When an amount is entered on these lines in column B, it reduces the corresponding amount in column A. For more information, consult the Help (F1).

Net taxable dividends	A*	Canadian	Foreign	Total
Taxable dividends deducted per Schedule 3				
Less: Expenses related to such dividends	A*			
Total expenses				
Net taxable dividends				

* Column A – Enter an "X" if the expense is related to a dividend received from a connected corporation.

Part 4 – Specified partnership income

Table 1 – Specified partnership income

A	A1	1A
Is the corporation a designated member of the partnership?	Partnership name **200**	Partnership's account number
Yes No		

B1	C1	D1	1D	2D	E1	F1
Total income (loss) of partnership from an active business **300**	Corporation's share of amount in column B1 **310**	Income of the corporation from providing (directly or indirectly) services or property to the partnership **311**	Prorated amounts calculated under section 34.2 note 1	Expenses the corporation incurred to earn partnership income	Adjustments (column 1D **minus** column 2D) **315**	Corporation's income (loss) in respect of the partnership note 2 (**add** columns C1, D1 and E1) **320**

Total **350**

G1	H1	I1	J1	K1	L1	M1
Number of days in the partnership's fiscal period **325**	Prorated business limit notes 2 and 3 (column C1 ÷ column B1) × [$ 500 000 × (column G1 ÷ 365)] (if column C1 is negative, enter "0") **330**	Specified partnership business limit **assigned to you** (from H2 in Table 2) note 5 **335**	Specified partnership business limit **assigned by you** from F3 in Table 3) note 6 **336**	Specified partnership business limit amount (column H1 **plus** column I1 **minus** column J1)	Column F1 **minus** column K1 (if negative, enter "0")	Lesser of columns F1 and K1 (if column F1 is negative, enter "0") note 4 **340**

Total **385** **360**

Corporation's losses for the year from an active business carried on in Canada (other than as a member of a partnership) – enter as a positive amount **370**

Specified partnership loss of the corporation for the year – enter as a positive amount (total of all negative amounts in column F1) **380**

Subtotal (line 370 **plus** line 380) N

Amount at line 385 or amount N, whichever is less **390**

Specified partnership income (line 360 **plus** line 390) **400**
(enter at amount R in Part 5)

Part 4 – Specified partnership income (continued)

Tables 2 and 3 are used to make an assignment of **specified partnership business limit** under subsection 125(8). A person that is a member of a partnership can make an assignment of **specified partnership business limit** under subsection 125(8) to a **designated member**.

If you are a CCPC that is a designated member and **receiving** specified partnership business limit from a person that is a member of the partnership, complete Table 2.

If you are a corporation that is a member of the partnership and **assigning** specified partnership business limit to a designated member, complete Table 3.

Table 2 – A member is assigning to you specified partnership business limit under subsection 125(8)

A2	2A	B2
Partnership name 405	Partnership's account number	Name of the member 406

C2	D2	E2	F2	G2	H2
Business number of the member (if applicable) 410	Social insurance number of the member (if applicable) 411	Trust account number of the member (if applicable) 412	Tax year start of the member (yyyymmdd) 415	Tax year-end of the member (yyyymmdd) 416	Specified partnership business limit assigned to you by the member note 7 420

Table 3 – You are assigning to a designated member (CCPC) specified partnership business limit under subsection 125(8)

A3	3A	B3
Partnership name 425	Partnership's account number	Name of the designated member 426

C3	D3	E3	F3
Business number of the designated member 430	Tax year start of the designated member (yyyymmdd) 435	Tax year-end of the designated member (yyyymmdd) 436	Specified partnership business limit assigned by you to the designated member note 8 440

Part 5 – Partnership income not eligible for the small business deduction

Corporation's income from active businesses carried on in Canada as a member or designated member of a partnership (after deducting related expenses) – from line 350 in Part 4 (if the net amount is negative, enter "0" on line 450) . . . . ______ O

Specified partnership loss (from line 380 in Part 4) . . . . ______ P

Subtotal (amount O **plus** amount P) ______ Q

Specified partnership income (from line 400 in Part 4) . . . . ______ R

Partnership income not eligible for the small business deduction (amount Q **minus** amount R) . . . . 450 ______
(enter at amount Z in Part 6)

Part 6 – Income eligible for the small business deduction

Net income for income tax purposes from line 300 of the T2 return		1,120,167 S		
Allowable business investment loss from line 406 of Schedule 1		T		
Subtotal (amount S **plus** amount T)		1,120,167 ▶	1,120,167	U
Foreign business income after deducting related expenses note 9	500			
Taxable capital gains from line 113 of Schedule 1		V		
Net property income (line 032 note 10 **minus** the total of lines 042, 052 and 082 note 9 in Part 1)		1,000 W		
Personal services business income after deducting related expenses note 9	e1			
Other income after deducting related expenses note 9	e2			
Subtotal (amount e1 **plus** amount e2) note 9	▶ 520			
Subtotal (**add** line 500, amount V, amount W and line 520)		1,000 ▶	1,000	X
Net amount (amount U **minus** amount X)			1,119,167	Y
Partnership income not eligible for the small business deduction (line 450 in Part 5)		Z		
Partnership income allocated to your corporation under subsection 96(1.1)	530			
Income referred to in clause 125(1)(a)(i)(C)	540			
Income referred to in clause 125(1)(a)(i)(B) (from line 615 in Part 7)		AA		
Subtotal (**add** amount Z, line 530, line 540 and amount AA)		▶		BB
Specified corporate income (from line 625 in Part 7)				CC
Income eligible for the small business deduction (amount Y **minus** amount BB, **plus** amount CC) (enter amount DD on line 400 of the T2 return - if negative, enter "0")			1,119,167	DD

Part 7 – Specified corporate income and assignment under subsection 125(3.2)

	1EE Name of the corporation	EE Business number of the corporation 600	FF Income described under clause 125(1)(a)(i)(B) received from the corporation identified in column EE note 11 610	GG Business limit assigned **from** the corporation identified in column EE note 12 620
1				
			Total 615	Total 625

See the privacy statement on your return.

Notes

Note 1 Do **not** include expenses that were deducted in computing the income of the corporation in column D1.

In general, amounts included under subsections 34.2(2) and 34.2(3) or claimed under subsection 34.2(4) are deemed to have the **same character** and be in the **same proportions** as the partnership income they relate to. For example, if a corporation receives $100,000 of partnership income for the partnership's fiscal period ending in its tax year, and that income is made up of $40,000 of active business income, $30,000 of income from property, and $30,000 as a taxable capital gain, the corporation's adjusted stub period accrual (ASPA) in respect of the partnership would be 40% active business income, 30% property income, and 30% taxable capital gains. Add or deduct only the portion of the following amounts that are characterized as **active business income** in accordance with subsection 34.2(5):

Add:

– the ASPA under subsection 34.2(2) (column 4 of Schedule 73)
– the income inclusion for a new corporate member of a partnership under subsection 34.2(3) (column 6 of Schedule 73)
– the previous-year transitional reserve under subsection 34.2(12) (column 12 of Schedule 73)

Deduct:

– the previous-year ASPA under subsection 34.2(4) (column 5 of Schedule 73)
– the previous-year income inclusion for a new corporate member of a partnership under subsection 34.2(4) (column 7 of Schedule 73)

Note 2 When a partnership carries on more than one business, one of which generates income and another of which realizes a loss, the loss is **not** netted against the partnership's income when calculating the prorated business limit (column H1). Enter on line 380 the total of all losses from column F1.

Note 3 **If** you are a **designated member** of the partnership, enter "0".

Note 4 You must enter "0" **if** the partnership provides services or property to either:

(A) a private corporation (directly or indirectly in any manner whatever) in the year, if:
- you (or one of your shareholders) or a person that does **not** deal at arm's length with you (or one of your shareholders) holds a direct or indirect interest in the private corporation, and
- it is not the case that all or substantially all of the partnership's income for the year from an active business is from providing services or property to
  – persons (other than the private corporation) that deal at arm's length with the partnership and each person that holds a direct or indirect interest in the partnership, or
  – partnerships with which the partnership deals at arm's length, other than a partnership in which a person that does **not** deal at arm's length with you holds a direct or indirect interest, or

(B) a particular partnership (directly or indirectly in any manner whatever) in the year, if:
- you (or one of your shareholders) do **not** deal at arm's length with the particular partnership or a person that holds a direct or indirect interest in the particular partnership, and
- it is not the case that all or substantially all of the partnership's income for the year from an active business is from providing services or property to
  – persons that deal at arm's length with the partnership and each person that holds a direct or indirect interest in the partnership, or
  – partnerships (other than the particular partnership) with which the partnership deals at arm's length, other than a partnership in which a person that does **not** deal at arm's length with you holds a direct or indirect interest.

Note 5 If you are a CCPC that is a **designated member** receiving an assignment of **specified partnership business limit,** complete Table 2 to determine the amounts to enter in Table 1 column I1.

Note 6 If you are a corporation that is a **member** of the partnership and you are assigning **specified partnership business limit**, complete Table 3 to determine the amounts to enter in Table 1 column J1.

Note 7 Add the amounts in column H2 that are for the same partnership and enter it in Table 1 column I1, in the row of the applicable partnership.

Note 8 Add the amounts in column F3 that are for the same partnership and enter it in Table 1 column J1, in the row of the applicable partnership. This amount **cannot** be higher than the amount of prorated business limit you would otherwise be entitled to in Table 1 column H1 for that partnership.

Note 9 If negative, enter amount in brackets, and **add** instead of subtracting.

Note 10 Net of related expenses.

Note 11 This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts, each of which is your income from an active business for the year from providing services or property to a private corporation (directly or indirectly, in any manner whatever) if

(A) at any time in the year, you (or one of your shareholders) or a person that does **not** deal at arm's length with you (or one of your shareholders) holds a direct or indirect interest in the private corporation, and

(B) it is not the case that all or substantially all of your income for the year from an active business is from providing services or property to
  (I) persons (other than the private corporation) with which you deal at arm's length, or
  (II) partnerships with which you deal at arm's length, other than a partnership in which a person that does **not** deal at arm's length with you holds a direct or indirect interest.

Do **not** include specified farming or fishing income. If the conditions described in subsection 125(10) are met, do not include income from an associated corporation.

Note 12 The amount of business limit that a CCPC can assign to you cannot be greater than the amount in column FF that is from providing services or property **directly** to that CCPC. If there is an amount included in column FF that is deductible by that CCPC in respect of the amount of its income referred to in clause 125(1)(a)(i)(A) or (B) for its tax year, you need to deduct it from column FF for the purpose of determining the amount that can be assigned to you.

Notes (continued)

Note 13 Active asset, of a particular corporation at any time, means property that is:

(A) used at that time principally in an active business carried on primarily in Canada by the particular corporation or by a Canadian-controlled private corporation that is related to the particular corporation,

(B) a share of the capital stock of another corporation if, at that time,

- the other corporation is connected with the particular corporation (within the meaning assigned by subsection 186(4) on the assumption that the other corporation is at that time a payer corporation within the meaning of that subsection), and
- the share would be a qualified small business corporation share (as defined in subsection 110.6(1)) if:

  – the references in that definition to an "individual" were references to the particular corporation, and

  – that definition were read without reference to "the individual's spouse or common-law partner", or

(C) an interest in a partnership, if:

- at that time, the fair market value of the particular corporation's interest in the partnership is equal to or greater than 10% of the total fair market value of all interests in the partnership,
- throughout the 24-month period ending before that time, more than 50% of the fair market value of the property of the partnership was attributable to property described in this paragraph or in paragraph (A) or (B), and
- at that time, all or substantially all of the fair market value of the property of the partnership was attributable to property described in this paragraph or in paragraph (A) or (B).

Note 14 Income or loss from property of a particular corporation, for the purposes of calculating the corporation's adjusted aggregate investment income, includes income or loss from a specified investment business, as well as all amounts in respect of a life insurance policy that are included in computing the corporation’s income for the year (even if those amounts were not included in the computation of the corporation’s aggregate investment income in Part 1).

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Schedule 8

Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2020-12-31

For more information, see the section called "Capital Cost Allowance" in the T2 Corporation Income Tax Guide.

Is the corporation electing under Regulation 1101(5q)? **101** Yes [ ] No [X]

	1 Class number * See note 1 (200)	Description	2 Undepreciated capital cost (UCC) at the beginning of the year (201)	3 Cost of acquisitions during the year (new property must be available for use) See note 2 (203)	4 Cost of acquisitions from column 3 that are accelerated investment incentive properties (AIIP) or zero-emission vehicle (ZEV) See note 3 (225)	5 Adjustments and transfers See note 4 (205)	6 Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition See note 5 (221)	7 Amount from column 5 that is repaid during the year for a property, subsequent to its disposition See note 6 (222)	8 Proceeds of dispositions See note 7 (207)	9 UCC (column 2 **plus** column 3 **plus** or **minus** column 5 **minus** column 8) See note 8
1.	1	Buildings	20,372,305						0	20,372,305
2.	8	Equipment and tools	1,250,676	262,130	262,130				0	1,512,806
3.	10	Rolling stock and vehicles	387,973	18,630	18,630				0	406,603
4.	45	Computer equipment and software	47						0	47
5.	47	Electrical energy distribution	25,501,468	3,711,652	3,711,652				39,000	29,174,120
6.	50	Computer equipment	138,390	330,269	330,269				0	468,659
7.	14.1		175,695						0	175,695
8.	1b	Building	213,176	69,709	69,709				0	282,885
9.	95	WIP	3,737,000	1,384,000	1,384,000				0	5,121,000
		Totals	51,776,730	5,776,390	5,776,390				39,000	57,514,120

	1 Class number * See note 1 (200)	Description	10 Proceeds of disposition available to reduce the UCC of AIIP and ZEV (column 8 **plus** column 6 **minus** column 3 **plus** column 4 **minus** column 7) (if negative, enter "0")	11 Net capital cost additions of AIIP and ZEV acquired during the year (column 4 **minus** column 10) (if negative, enter "0")	12 UCC adjustment for AIIP and ZEV acquired during the year (column 11 **multiplied** by the relevant factor) See note 9	13 UCC adjustment for property acquired during the year other than AIIP and ZEV (0.5 **multiplied** by the result of column 3 **minus** column 4 **minus** column 6 **plus** column 7 **minus** column 8) (if negative, enter "0") See note 10 (224)	14 CCA rate % See note 11 (212)	15 Recapture of CCA See note 12 (213)	16 Terminal loss See note 13 (215)	17 CCA (for declining balance method, the result of column 9 **plus** column 12 **minus** column 13, **multiplied** by column 14 or a lower amount) See note 14 (217)	18 UCC at the end of the year (column 9 **minus** column 17) (220)
1.	1	Buildings					4	0	0	814,892	19,557,413
2.	8	Equipment and tools		262,130	131,065		20	0	0	328,774	1,184,032

	1 Class number * See note 1 200	Description	10 Proceeds of disposition available to reduce the UCC of AIIP and ZEV (column 8 **plus** column 6 **minus** column 3 **plus** column 4 **minus** column 7) (if negative, enter "0")	11 Net capital cost additions of AIIP and ZEV acquired during the year (column 4 **minus** column 10) (if negative, enter "0")	12 UCC adjustment for AIIP and ZEV acquired during the year (column 11 **multiplied** by the relevant factor) See note 9	13 UCC adjustment for property acquired during the year other than AIIP and ZEV (0.5 **multiplied** by the result of column 3 **minus** column 4 **minus** column 6 **plus** column 7 **minus** column 8) (if negative, enter "0") See note 10 224	14 CCA rate % See note 11 212	15 Recapture of CCA See note 12 213	16 Terminal loss See note 13 215	17 CCA (for declining balance method, the result of column 9 **plus** column 12 **minus** column 13, **multiplied** by column 14 or a lower amount) See note 14 217	18 UCC at the end of the year (column 9 **minus** column 17) 220
3.	10	Rolling stock and vehicles		18,630	9,315		30	0	0	124,775	281,828
4.	45	Computer equipment and softv					45	0	0	21	26
5.	47	Electrical energy distribution	39,000	3,672,652	1,836,326		8	0	0	2,480,836	26,693,284
6.	50	Computer equipment		330,269	165,135		55	0	0	348,587	120,072
7.	14.1						5	0	0	12,299	163,396
8.	1b	Building		69,709	34,855		6	0	0	19,064	263,821
9.	95	WIP		1,384,000	692,000		0	0	0		5,121,000
		Totals	39,000	5,737,390	2,868,696					4,129,248	53,384,872

Enter the total of column 15 on line 107 of Schedule 1.
Enter the total of column 16 on line 404 of Schedule 1.
Enter the total of column 17 on line 403 of Schedule 1.

Note 1. If a class number has not been provided in Schedule II of the Income Tax Regulations for a particular class of property, use the subsection provided in Regulation 1101. Class numbers followed by a letter indicate the basic rate of the class taking into account the additional deduction allowed. Class 1a: 4% + 6% = 10% (class 1 to 10%), class 1b: 4% + 2% = 6% (class 1 to 6%).

Note 2. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions of property in the class that are not subject to the 50% rule. See Income Tax Folio S3-F4-C1, General Discussion of Capital Cost Allowance, for exceptions to the 50% rule.

Note 3. An AIIP is a property (other than ZEV) that you acquired after November 20, 2018 and became available for use before 2028. ZEV is, subject to certain exceptions, a new motor vehicle included in Class 54 or 55 that you acquired after March 18, 2019 and became available for use before 2028. The Government proposes to create Class 56 for zero-emission automotive equipment and vehicles that currently do not benefit from the accelerated rate provided by Classes 54 and 55. Class 56 would apply to eligible zero-emission automotive equipment and vehicles that are acquired after March 1, 2020, and became available for use before 2028. Columns 4, 10, 11, 12 and 13 also apply for additions of class 56 property. See the T2 Corporation Income Tax Guide for more information.

Note 4. Enter in column 5, "Adjustments and transfers", amounts that increase or reduce the undepreciated capital cost (column 9). Items that increase the undepreciated capital cost include amounts transferred under section 85, or transferred on amalgamation or winding-up of a subsidiary. Items that reduce the undepreciated capital cost (show amounts that reduce the undepreciated capital cost in brackets) include government assistance received or entitled to be received in the year, or a reduction of capital cost after the application of section 80. See the T2 Corporation Income Tax Guide for other examples of adjustments and transfers to include in column 5.
Also include the UCC of each property acquired in a non-arm's length transaction (other than by virtue of a right referred to in paragraph 251(5)(b) of the Act) if the property was a depreciable property continuously owned by the transferor for at least 364 days before the end of your tax year.

Note 5. Include all amounts of assistance you received (or were entitled to receive) after the disposition of a depreciable property that would have decreased the capital cost of the property by virtue of paragraph 13(7.1)(f) if received before the disposition.

Note 6. Include all amounts you have repaid during the year with respect to any legally required repayment, made after the disposition of a corresponding property, of:
- assistance that would have otherwise increased the capital cost of the property under paragraph 13(7.1)(d) and
- an inducement, assistance or any other amount contemplated in paragraph 12(1)(x) received, that otherwise would have increased the capital cost of the property under paragraph 13(7.4)(b)

Also include the UCC of each property of a prescribed class acquired in the course of a corporate reorganization described under paragraph 55(3)(b) of the Act (also known as "butterfly reorganization") or in a non-arm's length transaction (other than by virtue of a right referred to in paragraph 251(5)(b) of the Act) if the property was a depreciable property acquired by the transferor less than 364 days before the end of your tax year.

Note 7. For each property disposed of during the year, deduct from the proceeds of disposition any outlays and expenses to the extent that they were made or incurred for the purpose of making the disposition(s). The amount reported in respect of the property cannot exceed the property's capital cost, unless that property is a timber resource property as defined in subsection 13(21).
The proceeds of disposition of a ZEV that has been included in Class 54 and that is subject to the $55,000 (plus sales taxes) capital cost limit will be adjusted based on a factor equal to the capital cost limit of $55,000 (plus sales taxes) as a proportion of the actual cost of the vehicle.

Note 8. If the amount in column 5 reduces the undepreciated capital cost (i.e. it is shown in brackets), you must subtract it for the purposes of the calculation. Otherwise, add the amount in column 5 for the purposes of the calculation.

Note 9. The relevant factors for property of a class in Schedule II, that is AIIP or included in Classes 54 to 56, available for use before 2024 are:
- 2 1/3 for property in Classes 43.1, 54 and 56
- 1 1/2 for property in Class 55
- 1 for property in Classes 43.2 and 53
- 0 for property in Classes 12, 13, 14, and 15, as well as properties that are Canadian vessels included in paragraph 1100(1)(v) of the Regulations (see note 14 for additional information) and
- 0.5 for all other property that is AIIP

Note 10. The UCC adjustment for property acquired during the year other than AIIP and ZEV (formerly known as the half-year rule or 50% rule) does not apply to certain property (including AIIP). For special rules and exceptions, see Income Tax Folio S3-F4-C1, General Discussion of Capital Cost Allowance.

Note 11. Enter a rate only if you are using the declining balance method. For any other method (for example the straight-line method, where calculations are always based on the cost of acquisitions), enter N/A. Then enter the amount you are claiming in column 17.

Note 12. If the amount in column 9 is negative, you have a recapture of CCA. If applicable, enter the negative amount from column 9 in column 15 as a positive. The recapture rules do not apply to passenger vehicles in Class 10.1.

Note 13. If no property is left in the class at the end of the tax year and there is still a positive amount in the column 9, you have a terminal loss. If applicable, enter the positive amount from column 9 in column 16. The terminal loss rules do not apply to:
- passenger vehicles in Class 10.1
- property in Class 14.1, unless you have ceased carrying on the business to which it relates or
- limited-period franchises, concessions, or licences in Class 14 if, at the time of acquisition, the property was a former property of the transferor or any similar property attributable to the same fixed place of business, and you had jointly elected with the transferor to have the replacement property rules apply

Note 14. If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See the T2 Corporation Income Tax Guide for more information. For property in class 10.1 disposed of during the year, deduct a maximum of 50% of the regular CCA deduction if you owned the property at the beginning of the tax year. For AIIP listed below, the maximum first year allowance you can claim is determined as follows:
- Class 13: the lesser of 150% of the amount calculated in Schedule III of the Regulations and the UCC at the end of the tax year (before any CCA deduction)
- Class 14: the lesser of 150% of the allocation for the year of the capital cost of the property apportioned over the remaining life of the property (at the time the cost was incurred) and the UCC at the end of the tax year (before any CCA deduction)
- Class 15: the lesser of 150% of an amount computed on the basis of a rate per cord, board foot or cubic metre cut in the tax year and the UCC at the end of the tax year (before any CCA deduction)
- Canadian vessels described under paragraph 1100(1)(v) of the Regulations: the lesser of 50% of the capital cost of the property and the UCC at the end of the tax year (before any CCA deduction)
- Class 41.2: use a 25% CCA rate. The additional allowance under paragraph 1100(1)(y.2)(for single mine properties) and 1100(1)(ya.2)(for multiple mine properties) of the Regulations is not eligible for the accelerated investment incentive. The additional allowance in respect of natural gas liquefaction under paragraph 1100(1)(yb) of the Regulations is eligible for the accelerated investment incentive

The AIIP also apply to property (other than a timber resource property) that is a timber limit or a right to cut timber from a limit as well as to industrial mineral mine or a right to remove minerals from an industrial mineral mine. See the Income Tax Regulations for more detail.

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SCHEDULE 9

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
InnPower Corporation	89242 2817 RC0001	2020-12-31

- Complete this schedule if the corporation is related to or associated with at least one other corporation.
- For more information, see the *T2 Corporation Income Tax Guide*.

	Name 100	Country of residence (other than Canada) 200	Business number (see note 1) 300	Relationship code (see note 2) 400	Number of common shares you own 500	% of common shares you own 550	Number of preferred shares you own 600	% of preferred shares you own 650	Book value of capital stock 700
1.	Innservices Utilities Inc.		81689 7326 RC0001	3					
2.	Town of Innisfil		NR	1					
3.	Innterprises Inc.		86556 4595 RC0001	3					

Note 1: Enter "NR" if the corporation is not registered or does not have a business number.
Note 2: Enter the code number of the relationship that applies from the following order: 1 - Parent 2 - Subsidiary 3 - Associated 4 - Related but not associated

T2 SCH 9 (11)

Canada

Continuity of financial statement reserves (not deductible)

Financial statement reserves (not deductible)

	Description	Balance at the beginning of the year	Transfer on an amalgamation or the wind-up of a subsidiary	Add	Deduct	Balance at the end of the year
1	Post retirement benefits	100,083		31,000		131,083
2						
	Reserves from Part 2 of Schedule 13					
	Totals	100,083		31,000		131,083

The total opening balance plus the total transfers should be entered on line 414 of Schedule 1 as a deduction.
The total closing balance should be entered on line 126 of Schedule 1 as an addition.

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Schedule 23

Agreement Among Associated Canadian-Controlled Private Corporations to Allocate the Business Limit

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

Column 1: Enter the legal name of each of the corporations in the associated group, including those deemed to be associated under subsection 256(2) of the Income Tax Act.

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

Column 3: Enter the association code from the list below 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** as referred to in subsection 256(2) and has filed Schedule 28, Election not to be Associated Through a Third Corporation
3 – Non-CCPC that is a **third corporation**
4 – Associated non-CCPC
5 – Associated CCPC to which association code 1 does not apply because a **third corporation** has filed Schedule 28

Column 4: Enter the business limit for the year of each corporation in the associated group. Enter "0" if the corporation has association code 2, 3 or 4 in column 3 (except if the corporation is a cooperative or a credit union eligible for the SBD and it has association code 4).

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

Column 6: Enter the business limit allocated to each corporation by multiplying the amount in column 4 by the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A.

Ensure that the total at line A does not exceed $500,000.

Allocating the business limit

Date filed (do not use this area) . . . . **025** Year Month Day

Enter the calendar year the agreement applies to . . . . **050** Year 2020

Is this an amended agreement for the above calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? . . . . **075** ☐ Yes ☒ No

	1 Name of associated corporations **100**	2 Business number of associated corporations **200**	3 Association code **300**	4 Business limit for the year before the allocation $	5 Percentage of the business limit % **350**	6 Business limit allocated* $ **400**	
1	InnPower Corporation	89242 2817 RC0001	1	500,000			
2	Innservices Utilities Inc.	81689 7326 RC0001	1	500,000			
3	Town of Innisfil	NR	1	500,000			
4	Innterprises Inc.	86556 4595 RC0001	1	500,000	100.0000	500,000	
				Total	100.0000	500,000	A

Business limit reduction under subsection 125(5.1) of the Act

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the factors used in this calculation is the "large corporation amount" at line 415 of the T2 return. The amount at line 415 is determined using the formula 0.225% x (C - $10,000,000). Another factor is the "adjusted aggregate investment income" from lines 744 and 745 of Schedule 7, Aggregate Investment Income and Income Eligible for the Small Business Deduction. Details of these formulas and variable C are in subsection 125(5.1) of the Act.

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

Special rules for business limit

Special rules apply under subsection 125(5) if a CCPC has more than one tax year ending in the same calendar year and it is associated in more than one of those tax years with another CCPC that has a tax year ending in that calendar year. The business limit for the second or later tax year will be equal to the lesser of: the business limit determined for the first tax year ending in the calendar year or the business limit determined for the second or later tax year ending in the same calendar year.

T2 SCH 23 E (19)

Canada

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Schedule 33

Taxable Capital Employed in Canada – Large Corporations

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2020-12-31

- Use this schedule in determining if the total taxable capital employed in Canada of the corporation (other than a financial institution or an insurance corporation) and its related corporations is greater than $10,000,000.
- If the total taxable capital employed in Canada of the corporation and its related corporations is greater than $10,000,000, file a completed Schedule 33 with your T2 *Corporation Income Tax Return* no later than six months from the end of the tax year.
- Unless otherwise noted, all legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 181(1) defines the terms **financial institution**, **long-term debt**, and **reserves**.
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part I.3 for its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or for a partnership in which it has an interest.
- If the corporation was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 4, **Taxable capital employed in Canada**.

Part 1 – Capital

Add the following year-end amounts:

	Line	Amount		
Reserves that have not been deducted in calculating income for the year under Part I	101			
Capital stock (or members' contributions if incorporated without share capital)	103	10,852,000		
Retained earnings	104	15,305,000		
Contributed surplus	105	1,600,000		
Any other surpluses	106			
Deferred unrealized foreign exchange gains	107			
All loans and advances to the corporation	108			
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109			
Any dividends declared but not paid by the corporation before the end of the year	110			
All other indebtedness of the corporation (other than any indebtedness for a lease) that has been outstanding for more than 365 days before the end of the year	111			
The total of all amounts, each of which is the amount, if any, in respect of a partnership in which the corporation held a membership interest at the end of the year, either directly or indirectly through another partnership (see note below)	112			
Subtotal (**add** lines 101 to 112)		27,757,000	► 27,757,000	A

Note:

Line 112 is determined by the formula (A – B) x C/D (as per paragraph 181.2(3)(g)) where:

A is the total of all amounts that would be determined for lines 101, 107, 108, 109, and 111 in respect of the partnership for its last fiscal period that ends at or before the end of the year if

a) those lines applied to partnerships in the same manner that they apply to corporations, and

b) those amounts were computed without reference to amounts owing by the partnership

(i) to any corporation that held a membership interest in the partnership either directly or indirectly through another partnership, or

(ii) to any partnership in which a corporation described in subparagraph (i) held a membership interest either directly or indirectly through another partnership.

B is the partnership's deferred unrealized foreign exchange losses at the end of the period,

C is the share of the partnership's income or loss for the period to which the corporation is entitled either directly or indirectly through another partnership, and

D is the partnership's income or loss for the period.

Part 1 – Capital (continued)

Subtotal A (from page 1)		27,757,000	A
Deduct the following amounts:			
Deferred tax debit balance at the end of the year	121		
Any deficit deducted in calculating its shareholders' equity (including, for this purpose, the amount of any provision for the redemption of preferred shares) at the end of the year	122		
To the extent that the amount may reasonably be regarded as being included in any of lines 101 to 112 above for the year, any amount deducted under subsection 135(1) in calculating income under Part I for the year.	123		
Deferred unrealized foreign exchange losses at the end of the year	124		
Subtotal (**add** lines 121 to 124)	►		B
Capital for the year (amount A **minus** amount B) (if negative, enter "0")	190	27,757,000	

Part 2 – Investment allowance

Add the carrying value at the end of the year of the following assets of the corporation:

A share of another corporation	401	
A loan or advance to another corporation (other than a financial institution)	402	
A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution)	403	
Long-term debt of a financial institution	404	
A dividend payable on a share of the capital stock of another corporation	405	
A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim or similar obligation of, a partnership each member of which was, throughout the year, another corporation (other than a financial institution) that was not exempt from tax under this Part (otherwise than because of paragraph 181.1(3)(d)), or another partnership described in paragraph 181.2(4)(d.1)	406	
An interest in a partnership (see note 2 below)	407	
Investment allowance for the year (add lines 401 to 407)	490	

Notes:

1. Lines 401 to 405 should not include the carrying value of a share of the capital stock of, a dividend payable by, or indebtedness of a corporation that is exempt from tax under Part I.3 (other than a non-resident corporation that at no time in the year carried on business in Canada through a permanent establishment).
2. Where the corporation has an interest in a partnership held either directly or indirectly through another partnership, refer to subsection 181.2(5) for additional rules regarding the carrying value of an interest in a partnership.
3. Where a trust is used as a conduit for loaning money from a corporation to another related corporation (other than a financial institution), the loan will be considered to have been made directly from the lending corporation to the borrowing corporation. Refer to subsection 181.2(6) for special rules that may apply.

Part 3 – Taxable capital

Capital for the year (line 190)		27,757,000	C
Deduct: Investment allowance for the year (line 490)			D
Taxable capital for the year (amount C **minus** amount D) (if negative, enter "0")	500	27,757,000	

Part 4 – Taxable capital employed in Canada

To be completed by a corporation that was resident in Canada at any time in the year

Taxable capital for the year (line 500) 27,757,000 x (Taxable income earned in Canada **610** 1,000 / Taxable income 1,000) = **Taxable capital employed in Canada** **690** 27,757,000

Notes:
1. Regulation 8601 gives details on calculating the amount of taxable income earned in Canada.
2. Where a corporation's taxable income for a tax year is "0," it shall, for the purposes of the above calculation, be deemed to have a taxable income for that year of $1,000.
3. In the case of an airline corporation, Regulation 8601 should be considered when completing the above calculation.

To be completed by a corporation that was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada

Total of all amounts each of which is the carrying value at the end of the year of an asset of the corporation used in the year or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada		**701**	
Deduct the following amounts:			
Corporation's indebtedness at the end of the year [other than indebtedness described in any of paragraphs 181.2(3)(c) to (f)] that may reasonably be regarded as relating to a business it carried on during the year through a permanent establishment in Canada **711**			
Total of all amounts each of which is the carrying value at the end of year of an asset described in subsection 181.2(4) of the corporation that it used in the year, or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada **712**			
Total of all amounts each of which is the carrying value at the end of year of an asset of the corporation that is a ship or aircraft the corporation operated in international traffic, or personal or movable property used or held by the corporation in carrying on any business during the year through a permanent establishment in Canada (see note below) **713**			
Total deductions (**add** lines 711, 712, and 713)	►		E
Taxable capital employed in Canada (line 701 **minus** amount E) (if negative, enter "0")		**790**	

Note: Complete line 713 only if the country in which the corporation is resident did not impose a capital tax for the year on similar assets, or a tax for the year on the income from the operation of a ship or aircraft in international traffic, of any corporation resident in Canada during the year.

Part 5 – Calculation for purposes of the small business deduction

This part is applicable to corporations that are not associated in the current year, but were associated in the prior year.

Taxable capital employed in Canada (amount from line 690)		F
Deduct:	10,000,000	G
Excess (amount F **minus** amount G) (if negative, enter "0")		H
Calculation for purposes of the small business deduction (amount H x 0.225%)		I

Enter this amount at line 415 of the T2 return.

Attached Schedule with Total

Part 1 – All loans and advances to the corporation

Title Part 1 – All loans and advances to the corporation

Explanatory note

Per note 19 of the 2019 FS (w/p FS.1)

Description	Operator (Note)	Amount
Town of Innisfil - receivable		
InnServices Utilities Inc. - receivable	+	
Innterprises Inc. - receivable	+	
	+	
	Total	

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula 1+2*3 will not result in the same thing as the formula 1+3*2.

Attached Schedule with Total

Part 2 – A loan or advance to another corporation (other than a financial institution)

Title Part 2 – A loan or advance to another corporation (other than a financial ir

Explanatory note

Per note 19 of the 2019 FS (w/p FS.1)

Description	Operator (Note)	Amount
InnServices Utilities Inc. - payable		
Innterprises Inc. - payable	+	
InnServices Utilities Inc. - receivable (negative balance)	+	
	+	
	Total	

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula 1+2*3 will not result in the same thing as the formula 1+3*2.

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Schedule 50

Shareholder Information

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2020-12-31

- All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.
- Provide only one number (business number, partnership account number, social insurance number or trust number) per shareholder.

	Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust) 100	Business number or partnership account number (9 digits, 2 letters, and 4 digits. If not registered, enter "**NR**") 200	Social insurance number (9 digits) 300	Trust number (T followed by 8 digits) 350	Percentage common shares 400	Percentage preferred shares 500
1	Town of Innisfil	121947188RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

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Schedule 510

Ontario Corporate Minimum Tax

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2020-12-31

- File this schedule if the corporation is subject to Ontario corporate minimum tax (CMT). CMT is levied under section 55 of the *Taxation Act, 2007* (Ontario), referred to as the "Ontario Act".
- Complete Part 1 to determine if the corporation is subject to CMT for the tax year.
- A corporation not subject to CMT in the tax year is still required to file this schedule if it is deducting a CMT credit, has a CMT credit carryforward, or has a CMT loss carryforward or a current year CMT loss.
- A corporation that has Ontario special additional tax on life insurance corporations (SAT) payable in the tax year must complete Part 4 of this schedule even if it is not subject to CMT for the tax year.
- A corporation is exempt from CMT if, throughout the tax year, it was one of the following:
  1) a corporation exempt from income tax under section 149 of the federal *Income Tax Act*;
  2) a mortgage investment corporation under subsection 130.1(6) of the federal Act;
  3) a deposit insurance corporation under subsection 137.1(5) of the federal Act;
  4) a congregation or business agency to which section 143 of the federal Act applies;
  5) an investment corporation as referred to in subsection 130(3) of the federal Act; or
  6) a mutual fund corporation under subsection 131(8) of the federal Act.
- File this schedule with the *T2 Corporation Income Tax Return*.

Part 1 – Determination of CMT applicability

Total assets of the corporation at the end of the tax year *	112	113,229,000
Share of total assets from partnership(s) and joint venture(s) *	114	
Total assets of associated corporations (amount from line 450 on Schedule 511)	116	97,507,604
Total assets (total of lines 112 to 116)		210,736,604
Total revenue of the corporation for the tax year **	142	54,217,000
Share of total revenue from partnership(s) and joint venture(s) **	144	
Total revenue of associated corporations (amount from line 550 on Schedule 511)	146	119,244,746
Total revenue (total of lines 142 to 146)		173,461,746

The corporation is subject to CMT if:
- for tax years ending before July 1, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are more than $5,000,000, or the total revenue for the year of the corporation or the associated group of corporations is more than $10,000,000.
- for tax years ending after June 30, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are equal to or more than $50,000,000, and the total revenue for the year of the corporation or the associated group of corporations is equal to or more than $100,000,000.

If the corporation is not subject to CMT, do not complete the remaining parts unless the corporation is deducting a CMT credit, or has a CMT credit carryforward, a CMT loss carryforward, a current year CMT loss, or SAT payable in the year.

* **Rules for total assets**
- Report total assets according to generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- Do not include unrealized gains and losses on assets and foreign currency gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.
- The amount on line 114 is determined at the end of the last fiscal period of the partnership or joint venture that ends in the tax year of the corporation. Add the proportionate share of the assets of the partnership(s) and joint venture(s), and deduct the recorded asset(s) for the investment in partnerships and joint ventures.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were $1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

** **Rules for total revenue**
- Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- If the tax year is less than 51 weeks, **multiply** the total revenue of the corporation or the partnership, whichever applies, by 365 and **divide** by the number of days in the tax year.
- The amount on line 144 is determined for the partnership or joint venture fiscal period that ends in the tax year of the corporation. If the partnership or joint venture has 2 or more fiscal periods ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were $1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

Part 2 – Adjusted net income/loss for CMT purposes

Description	Line	Amount	Line	Amount
Net income/loss per financial statements *			210	2,617,000
Add (to the extent reflected in income/loss):				
Provision for current income taxes/cost of current income taxes	220	257,000		
Provision for deferred income taxes (debits)/cost of future income taxes	222	496,000		
Equity losses from corporations	224			
Financial statement loss from partnerships and joint ventures	226			
Dividends deducted on financial statements (subsection 57(2) of the Ontario Act), excluding dividends paid by credit unions under subsection 137(4.1) of the federal Act	230			
Other additions (see note below):				
Share of adjusted net income of partnerships and joint ventures **	228			
Total patronage dividends received, not already included in net income/loss	232			
281	282			
283	284			
Subtotal		753,000 ▶		753,000 A
Deduct (to the extent reflected in income/loss):				
Provision for recovery of current income taxes/benefit of current income taxes	320			
Provision for deferred income taxes (credits)/benefit of future income taxes	322			
Equity income from corporations	324			
Financial statement income from partnerships and joint ventures	326			
Dividends deductible under section 112, section 113, or subsection 138(6) of the federal Act	330			
Dividends not taxable under section 83 of the federal Act (from Schedule 3)	332			
Gain on donation of listed security or ecological gift	340			
Accounting gain on transfer of property to a corporation under section 85 or 85.1 of the federal Act ***	342			
Accounting gain on transfer of property to/from a partnership under section 85 or 97 of the federal Act ****	344			
Accounting gain on disposition of property under subsection 13(4), subsection 14(6), or section 44 of the federal Act *****	346			
Accounting gain on a windup under subsection 88(1) of the federal Act or an amalgamation under section 87 of the federal Act	348			
Other deductions (see note below):				
Share of adjusted net loss of partnerships and joint ventures **	328			
Tax payable on dividends under subsection 191.1(1) of the federal Act **multiplied** by 3	334			
Interest deducted/deductible under paragraph 20(1)(c) or (d) of the federal Act, not already included in net income/loss	336			
Patronage dividends paid (from Schedule 16) not already included in net income/loss	338			
381 Tax expense within net movement in regulatory balances	382	496,000		
383	384			
385	386			
387	388			
389	390			
Subtotal		496,000 ▶		496,000 B
Adjusted net income/loss for CMT purposes (line 210 **plus** amount A **minus** amount B)			490	2,874,000

If the amount on line 490 is positive and the corporation is subject to CMT as determined in Part 1, enter the amount on line 515 in Part 3.

If the amount on line 490 is negative, enter the amount on line 760 in Part 7 (enter as a positive amount).

Note

In accordance with *Ontario Regulation 37/09*, when calculating net income for CMT purposes, accounting income should be adjusted to:

– exclude unrealized gains and losses due to mark-to-market changes or foreign currency changes on specified mark-to-market property (assets only);

– include realized gains and losses on the disposition of specified mark-to-market property not already included in the accounting income, if the property is not a capital property or is a capital property disposed in the year or in a previous tax year ended after March 22, 2007.

"Specified mark-to-market property" is defined in subsection 54(1) of the Ontario Act.

These rules also apply to partnerships. A corporate partner's share of a partnership's adjusted income flows through on a proportionate basis to the corporate partner.

* **Rules for net income/loss**

– Banks must report net income/loss as per the report accepted by the Superintendent of Financial Institutions under the federal *Bank Act*, adjusted so consolidation and equity methods are not used.

Part 2 – Calculation of adjusted net income/loss for CMT purposes (continued)

– Life insurance corporations must report net income/loss as per the report accepted by the federal Superintendent of Financial Institutions or equivalent provincial insurance regulator, before SAT and adjusted so consolidation and equity methods are not used. If the life insurance corporation is resident in Canada and carries on business in and outside of Canada, **multiply** the net income/loss by the ratio of the Canadian reserve liabilities **divided** by the total reserve liability. The reserve liabilities are calculated in accordance with Regulation 2405(3) of the federal Act.

– Other corporations must report net income/loss in accordance with generally accepted accounting principles, except that consolidation and equity methods must not be used. When the equity method has been used for accounting purposes, equity losses and equity income are removed from book income/loss on lines 224 and 324 respectively.

– Corporations, other than insurance corporations, should report net income from line 9999 of the GIFI (Schedule 125) on line 210.

** The share of the adjusted net income of a partnership or joint venture is calculated as if the partnership or joint venture were a corporation and the tax year of the partnership or joint venture were its fiscal period. For a corporation with an indirect interest in a partnership through one or more partnerships, determine the corporation's share according to clause 54(5)(c) of the Ontario Act.

*** A joint election will be considered made under subsection 60(1) of the Ontario Act if there is an entry on line 342, and an election has been made for transfer of property to a corporation under subsection 85(1) of the federal Act.

**** A joint election will be considered made under subsection 60(2) of the Ontario Act if there is an entry on line 344, and an election has been made under subsection 85(2) or 97(2) of the federal Act.

***** A joint election will be considered made under subsection 61(1) of the Ontario Act if there is an entry on line 346, and an election has been made under subsection 13(4) or 14(6) and/or section 44 of the federal Act.

For more information on how to complete this part, see the *T2 Corporation – Income Tax Guide*.

Part 3 – CMT payable

Adjusted net income for CMT purposes (line 490 in Part 2, if positive) **515** 2,874,000

Deduct:

CMT loss available (amount R from Part 7) . . . .

Minus: Adjustment for an acquisition of control * **518**

Adjusted CMT loss available . . . . ▶ C

Net income subject to CMT calculation (if negative, enter "0") **520** 2,874,000

Amount from line 520		Number of days in the tax year before July 1, 2010 / Number of days in the tax year					
2,874,000	x		/ 366	x	4 % =		1
2,874,000	x	Number of days in the tax year after June 30, 2010 / Number of days in the tax year	366 / 366	x	2.7 % =	77,598	2

Subtotal (amount 1 **plus** amount 2) 77,598 3

Gross CMT: amount on line 3 above x OAF ** **540** 77,598

Deduct:

Foreign tax credit for CMT purposes *** **550**

CMT after foreign tax credit deduction (line 540 **minus** line 550) (if negative, enter "0") . . . . 77,598 D

Deduct:

Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5) . . . .

Net CMT payable (if negative, enter "0") . . . . E

Enter amount E on line 278 of Schedule 5, *Tax Calculation Supplementary – Corporations*, and complete Part 4.

* Enter the portion of CMT loss available that exceeds the adjusted net income for the tax year from carrying on a business before the acquisition of control. See subsection 58(3) of the Ontario Act.

*** Enter "0" on line 550 for life insurance corporations as they are not eligible for this deduction. For all other corporations, enter the cumulative total of amount J for the province of Ontario from Part 9 of Schedule 21 on line 550.

** **Calculation of the Ontario allocation factor (OAF):**

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "Ontario," enter "1" on line F.

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "multiple," complete the following calculation, and enter the result on line F:

Ontario taxable income **** / Taxable income ***** =

Ontario allocation factor . . . . 1.00000 F

**** Enter the amount allocated to Ontario from column F in Part 1 of Schedule 5. If the taxable income is nil, calculate the amount in column F as if the taxable income were $1,000.

***** Enter the taxable income amount from line 360 or amount Z of the T2 return, whichever applies. If the taxable income is nil, enter "1,000".

Part 4 – Calculation of CMT credit carryforward

CMT credit carryforward at the end of the previous tax year *		56,524 G		
Deduct:				
CMT credit expired *	600			
CMT credit carryforward at the beginning of the current tax year * (see note below)		56,524	620	56,524
Add:				
CMT credit carryforward balances transferred on an amalgamation or the windup of a subsidiary (see note below)			650	
CMT credit available for the tax year (amount on line 620 **plus** amount on line 650)				56,524 H
Deduct:				
CMT credit deducted in the current tax year (amount P from Part 5)				I
Subtotal (amount H **minus** amount I)				56,524 J
Add:				
Net CMT payable (amount E from Part 3)				
SAT payable (amount O from Part 6 of Schedule 512)				
Subtotal				K
CMT credit carryforward at the end of the tax year (amount J **plus** amount K)			670	56,524 L

* For the first harmonized T2 return filed with a tax year that includes days in 2009:
- do not enter an amount on line G or line 600;
- for line 620, enter the amount from line 2336 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line G the amount from line 670 of Schedule 510 from the previous tax year.

Note: If you entered an amount on line 620 or line 650, complete Part 6.

Part 5 – Calculation of CMT credit deducted from Ontario corporate income tax payable

CMT credit available for the tax year (amount H from Part 4)			56,524 M
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)		1	
For a corporation that is not a life insurance corporation:			
CMT after foreign tax credit deduction (amount D from Part 3)	77,598 2		
For a life insurance corporation:			
Gross CMT (line 540 from Part 3)	3		
Gross SAT (line 460 from Part 6 of Schedule 512)	4		
The **greater** of amounts 3 and 4	5		
Deduct: line 2 or line 5, whichever applies:		77,598 6	
Subtotal (if negative, enter "0")			N
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)			
Deduct:			
Total refundable tax credits excluding Ontario qualifying environmental trust tax credit (amount J6 **minus** line 450 from Schedule 5)			
Subtotal (if negative, enter "0")			O
CMT credit deducted in the current tax year (least of amounts M, N, and O)			P

Enter amount P on line 418 of Schedule 5 and on line I in Part 4 of this schedule.

Is the corporation claiming a CMT credit earned before an acquisition of control? 675 1 Yes ☐ 2 No ☒

If you answered **yes** to the question at line 675, the CMT credit deducted in the current tax year may be restricted. For information on how the deduction may be restricted, see subsections 53(6) and (7) of the Ontario Act.

Part 6 – Analysis of CMT credit available for carryforward by year of origin

Complete this part if:

- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	CMT credit balance *
10th previous tax year	680
9th previous tax year	681
8th previous tax year	682
7th previous tax year	683
6th previous tax year	684
5th previous tax year	685
4th previous tax year	686
3rd previous tax year	687
2nd previous tax year	688
1st previous tax year	689
Total **	

* CMT credit that was earned (by the corporation, predecessors of the corporation, and subsidiaries wound up into the corporation) in each of the previous 10 tax years and has not been deducted.

** Must equal the total of the amounts entered on lines 620 and 650 in Part 4.

Part 7 – Calculation of CMT loss carryforward

CMT loss carryforward at the end of the previous tax year * . . . . ______ Q

Deduct:

CMT loss expired * . . . . 700 ______

CMT loss carryforward at the beginning of the tax year * (see note below) . . . . ______ ▶ 720 ______

Add:

CMT loss transferred on an amalgamation under section 87 of the federal Act ** (see note below) . . . . 750 ______

CMT loss available (line 720 **plus** line 750) . . . . ______ R

Deduct:

CMT loss deducted against adjusted net income for the tax year (lesser of line 490 (if positive) and line C in Part 3) . . . . ______

Subtotal (if negative, enter "0") ______ S

Add:

Adjusted net loss for CMT purposes (amount from line 490 in Part 2, if **negative**) (enter as a positive amount) . . . . 760 ______

CMT loss carryforward balance at the end of the tax year (amount S **plus** line 760) . . . . 770 ______ T

* For the first harmonized T2 return filed with a tax year that includes days in 2009:

- do not enter an amount on line Q or line 700;
- for line 720, enter the amount from line 2214 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line Q the amount from line 770 of Schedule 510 from the previous tax year.

** Do not include an amount from a predecessor corporation if it was controlled at any time before the amalgamation by any of the other predecessor corporations.

Note: If you entered an amount on line 720 or line 750, complete Part 8.

Part 8 – Analysis of CMT loss available for carryforward by year of origin

Complete this part if:
- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	Balance earned in a tax year ending before March 23, 2007 *	Balance earned in a tax year ending after March 22, 2007 **
10th previous tax year	810	820
9th previous tax year	811	821
8th previous tax year	812	822
7th previous tax year	813	823
6th previous tax year	814	824
5th previous tax year	815	825
4th previous tax year	816	826
3rd previous tax year	817	827
2nd previous tax year	818	828
1st previous tax year		829
Total ***		

* Adjusted net loss for CMT purposes that was earned (by the corporation, by subsidiaries wound up into or amalgamated with the corporation before March 22, 2007, and by other predecessors of the corporation) in each of the previous 10 tax years that ended before March 23, 2007, and has not been deducted.

** Adjusted net loss for CMT purposes that was earned (by the corporation and its predecessors, but not by a subsidiary predecessor) in each of the previous 20 tax years that ended after March 22, 2007, and has not been deducted.

*** The total of these two columns must equal the total of the amounts entered on lines 720 and 750.

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 511

ONTARIO CORPORATE MINIMUM TAX – TOTAL ASSETS AND REVENUE FOR ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2020-12-31

- For use by corporations to report the total assets and total revenue of all the Canadian or foreign corporations with which the filing corporation was associated at any time during the tax year. These amounts are required to determine if the filing corporation is subject to corporate minimum tax.
- Total assets and total revenue include the associated corporation's share of any partnership(s)/joint venture(s) total assets and total revenue.
- Attach additional schedules if more space is required.
- File this schedule with the *T2 Corporation Income Tax Return*.

	Names of associated corporations 200	Business number (Canadian corporation only) (see Note 1) 300	Total assets* (see Note 2) 400	Total revenue** (see Note 2) 500
1	Innservices Utilities Inc.	81689 7326 RC0001	46,013,000	19,038,000
2	Town of Innisfil	NR	50,000,000	100,000,000
3	Innterprises Inc.	86556 4595 RC0001	1,494,604	206,746
		Total	450 97,507,604	550 119,244,746

Enter the total assets from line 450 on line 116 in Part 1 of Schedule 510, *Ontario Corporate Minimum Tax*.
Enter the total revenue from line 550 on line 146 in Part 1 of Schedule 510.

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

Note 2: If the associated corporation does not have a tax year that ends in the filing corporation's current tax year but was associated with the filing corporation in the previous tax year of the filing corporation, enter the total revenue and total assets from the tax year of the associated corporation that ends in the previous tax year of the filing corporation.

*** Rules for total assets**

– Report total assets in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
– Include the associated corporation's share of the total assets of partnership(s) and joint venture(s) but exclude the recorded asset(s) for the investment in partnerships and joint ventures.
– Exclude unrealized gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.

**** Rules for total revenue**

– Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
– If the associated corporation has 2 or more tax years ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of those tax years by 365 and **divide** by the total number of days in all of those tax years.
– If the associated corporation's tax year is less than 51 weeks and is the only tax year of the associated corporation that ends in the filing corporation's tax year, **multiply** the associated corporation's total revenue by 365 and **divide** by the number of days in the associated corporation's tax year.
– Include the associated corporation's share of the total revenue of partnerships and joint ventures.
– If the partnership or joint venture has 2 or more fiscal periods ending in the associated corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.

T2 SCH 511 Canada

Appendix 6-2-1 (E) 2021 Tax Return

200

Canada Revenue Agency / Agence du revenu du Canada

T2 Corporation Income Tax Return

055 Do not use this area

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

All legislative references on this return are to the federal Income Tax Act and Income Tax Regulations. This return may contain changes that had not yet become law at the time of publication.

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

For more information see **canada.ca/taxes** or Guide T4012, T2 Corporation – Income Tax Guide.

Identification

Business number (BN) 001 89242 2817 RC0001

Corporation's name
002 InnPower Corporation

Address of head office
Has this address changed since the last time we were notified? . . . . 010 Yes [ ] No [X]
If **yes**, complete lines 011 to 018.
011 7251 Yonge Street
012
City: 015 Innisfil
Province, territory, or state: 016 ON
Country (other than Canada): 017
Postal or ZIP code: 018 L9S 0J3

Mailing address (if different from head office address)
Has this address changed since the last time we were notified? . . . . 020 Yes [ ] No [X]
If **yes**, complete lines 021 to 028.
021 c/o
022 7251 Yonge Street
023
City: 025 Innisfil
Province, territory, or state: 026 ON
Country (other than Canada): 027
Postal or ZIP code: 028 L9S 0J3

Location of books and records (if different from head office address)
Has this address changed since the last time we were notified? . . . . 030 Yes [ ] No [X]
If **yes**, complete lines 031 to 038.
031 7251 Yonge Street
032
City: 035 Innisfil
Province, territory, or state: 036 ON
Country (other than Canada): 037
Postal or ZIP code: 038 L9S 0J3

040 **Type of corporation at the end of the tax year** (tick one)
[X] 1 Canadian-controlled private corporation (CCPC)
[ ] 2 Other private corporation
[ ] 3 Public corporation
[ ] 4 Corporation controlled by a public corporation
[ ] 5 Other corporation (specify)

If the type of corporation changed during the tax year, provide the effective date of the change . . . . 043 Year Month Day

To which tax year does this return apply?
Tax year start: 060 Year Month Day 2021-01-01
Tax year-end: 061 Year Month Day 2021-12-31

Has there been an acquisition of control resulting in the application of subsection 249(4) since the tax year start on line 060? . . . . 063 Yes [ ] No [X]
If **yes**, provide the date control was acquired . . . . 065 Year Month Day

Is the date on line 061 a deemed tax year-end according to subsection 249(3.1)? . . . . 066 Yes [ ] No [X]

Is the corporation a professional corporation that is a member of a partnership? . . . . 067 Yes [ ] No [X]

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

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

Is this the final tax year before amalgamation? . . . . 076 Yes [ ] No [X]

Is this the final return up to dissolution? . . . . 078 Yes [ ] No [X]

If an election was made under section 261, state the functional currency used 079

Is the corporation a resident of Canada? 080 Yes [X] No [ ]
If **no**, give the country of residence on line 081 and complete and attach Schedule 97.
081

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

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

Do not use this area
095 096 898

Attachments

Financial statement information: Use GIFI schedules 100, 125, and 141.
Schedules – Answer the following questions. For each **yes** response, **attach** the schedule to the T2 return, unless otherwise instructed.

		Yes	Schedule
Is the corporation related to any other corporations?	150	X	9
Is the corporation an associated CCPC?	160	X	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	161		49
Does the corporation have any non-resident shareholders who own voting shares?	151		19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
If you answered **yes** to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
Is the corporation claiming a loss or deduction from a tax shelter?	166		T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	167		T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust (without reference to section 94)?	168		22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	169		25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the Income Tax Regulations?	170		29
Did the corporation have a total amount over CAN$1 million of reportable transactions with non-arm's length non-residents?	171		T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172		———
Does the corporation earn income from one or more Internet web pages or websites?	180		88
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
Has the corporation made any charitable donations; gifts of cultural or ecological property; or gifts of medicine?	202		2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203		3
Is the corporation claiming any type of losses?	204		4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205	X	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	206		6
i) Is the corporation a CCPC and reporting a) income or loss from property (other than dividends deductible on line 320 of the T2 return), b) income from a partnership, c) income from a foreign business, d) income from a personal services business, e) income referred to in clause 125(1)(a)(i)(C) or 125(1)(a)(i)(B), f) aggregate investment income as defined in subsection 129(4), or g) an amount assigned to it under subsection 125(3.2) or 125(8); or ii) Is the corporation a member of a partnership and assigning its specified partnership business limit to a designated member under subsection 125(8)?	207	X	7
Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
Does the corporation have any resource-related deductions?	212		12
Is the corporation claiming deductible reserves?	213		13
Is the corporation claiming a patronage dividend deduction?	216		16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or a provincial credit union tax reduction?	217		17
Is the corporation an investment corporation or a mutual fund corporation?	218		18
Is the corporation carrying on business in Canada as a non-resident corporation?	220		20
Is the corporation claiming any federal, provincial, or territorial foreign tax credits, or any federal logging tax credits?	221		21
Does the corporation have any Canadian manufacturing and processing profits?	227		27
Is the corporation claiming an investment tax credit?	231	X	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232	X	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over $10,000,000?	233	X	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over $10,000,000?	234	X	———
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
Is the corporation claiming a Part I tax credit?	242		42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
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		39
Is the corporation claiming a Canadian film or video production tax credit?	253		T1131
Is the corporation claiming a film or video production services tax credit?	254		T1177
Is the corporation claiming a Canadian journalism labour tax credit?	272		58
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	255		92

Attachments (continued)

	Line	Yes	Schedule
Did the corporation have any foreign affiliates in the tax year?	271		T1134
Did the corporation own or hold specified foreign property where the total cost amount of all such property, at any time in the year, was more than CAN$100,000?	259		T1135
Did the corporation transfer or loan property to a non-resident trust?	260		T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261		T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262		T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263		T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264		T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	265		55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	266		T2002
Has the corporation revoked any previous election made under subsection 89(11)?	267		T2002
Did the corporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its general rate income pool (GRIP) change in the tax year?	268	X	53
Did the corporation (other than a CCPC or DIC) pay eligible dividends, or did its low rate income pool (LRIP) change in the tax year?	269		54
Is the corporation claiming a return of fuel charge proceeds to farmers tax credit?	273		63
Are you an employer reporting a non-qualified security agreement under subsection 110(1.9)?	274		59
Is the corporation claiming an air quality improvement tax credit?	275		65

Additional information

	Line	Yes	No
Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	X	
Is the corporation inactive?	280		X

What is the corporation's main revenue-generating business activity? 221122 Electric Power Distribution

Specify the principal products mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

Line	Product or service	Line	%
284	Electricity distributor	285	100.000 %
286		287	%
288		289	%

	Line	Yes	No
Did the corporation immigrate to Canada during the tax year?	291		X
Did the corporation emigrate from Canada during the tax year?	292		X
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293		

If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible 294 Year Month Day

If the corporation's major business activity is construction, did you have any subcontractors during the tax year? 295 Yes No

Taxable income

	Line		Amount	
Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI	300		562,968	A
Deduct:				
Charitable donations from Schedule 2	311			
Cultural gifts from Schedule 2	313			
Ecological gifts from Schedule 2	314			
Gifts of medicine made before March 22, 2017, from Schedule 2	315			
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320			
Part VI.1 tax deduction*	325			
Non-capital losses of previous tax years from Schedule 4	331			
Net capital losses of previous tax years from Schedule 4	332			
Restricted farm losses of previous tax years from Schedule 4	333			
Farm losses of previous tax years from Schedule 4	334			
Limited partnership losses of previous tax years from Schedule 4	335			
Taxable capital gains or taxable dividends allocated from a central credit union	340			
Prospector's and grubstaker's shares	350			
Employer deduction for non-qualified securities	352			
Subtotal		►		B
Subtotal (amount A **minus** amount B) (if negative, enter "0")			562,968	C
Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355			D
Taxable income (amount C **plus** amount D)	360		562,968	
Taxable income for the year from a personal services business				Z.1

* This amount is equal to 3.5 times the Part VI.1 tax payable at line 724 on page 9.

Small business deduction

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

Income eligible for the small business deduction from Schedule 7 . . . . . **400** 1,813,968 A

Taxable income from line 360 on page 3, **minus** 100/28 (3.57143) of the amount on line 632* on page 8, **minus** 4 times the amount on line 636** on page 8, and **minus** any amount that, because of federal law, is exempt from Part I tax . . . . . **405** 562,968 B

Business limit (see notes 1 and 2 below) . . . . . **410** ______ C

Notes:

1. For CCPCs that are not associated, enter $ 500,000 on line 410. However, if the corporation's tax year is less than 51 weeks, prorate this amount by the number of days in the tax year **divided** by 365, and enter the result on line 410.
2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

Business limit reduction

Taxable capital business limit reduction

Amount C ______ x **415** *** 473,201 D / 11,250 = ... ______ E

Passive income business limit reduction

Adjusted aggregate investment income from Schedule 7**** . **417** 200,000 – 50,000 = . . 150,000 F

Amount C ______ x Amount F 150,000 / 100,000 = ... ______ G

The greater of amount E and amount G **422** ______ H

Reduced business limit (amount C **minus** amount H) (if negative, enter "0") . . . . . **426** ______ I

Business limit the CCPC assigns under subsection 125(3.2) (from line 515 below) . . . . . ______ J

Reduced business limit after assignment (amount I **minus** amount J) . . . . . **428** ______ K

Small business deduction – Amount A, B, C, or K, whichever is the least . . . . ______ x 19 % = **430** ______

Enter amount from line 430 at amount J on page 8.

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

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

*** **Large corporations**

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

**** Enter the total adjusted aggregate investment income of the corporation and all associated corporations for each tax year that ended in the preceding calendar year. Each corporation with such income has to file a Schedule 7. For a corporation's first tax year that starts after 2018, this amount is reported at line 744 of the corresponding Schedule 7. Otherwise, this amount is the total of all amounts reported at line 745 of the corresponding Schedule 7 of the corporation for each tax year that ended in the preceding calendar year.

Specified corporate income and assignment under subsection 125(3.2)

	L1 Name of corporation receiving the income and assigned amount	L Business number of the corporation receiving the assigned amount **490**	M Income paid under clause 125(1)(a)(i)(B) to the corporation identified in column L [3] **500**	N Business limit assigned to corporation identified in column L [4] **505**
1.				
			Total **510**	Total **515**

Notes:

3. This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts each of which is income (other than specified farming or fishing income of the corporation for the year) from an active business of the corporation for the year from the provision of services or property to a private corporation (directly or indirectly, in any manner whatever) if
(A) at any time in the year, the corporation (or one of its shareholders) or a person who does not deal at arm's length with the corporation (or one of its shareholders) holds a direct or indirect interest in the private corporation, and
(B) it is not the case that all or substantially all of the corporation's income for the year from an active business is from the provision of services or property to
(I) persons (other than the private corporation) with which the corporation deals at arm's length, or
(II) partnerships with which the corporation deals at arm's length, other than a partnership in which a person that does not deal at arm's length with the corporation holds a direct or indirect interest.
4. The amount of the business limit you assign to a CCPC cannot be greater than the amount determined by the formula A – B, where A is the amount of income referred to in column M in respect of that CCPC and B is the portion of the amount described in A that is deductible by you in respect of the amount of income referred to in clauses 125(1)(a)(i)(A) or (B) for the year. The amount on line 515 cannot be greater than the amount on line 426.

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the tax year

Taxable income from line 360 on page 3			562,968	A
Lesser of amounts 9B and 9H from Part 9 of Schedule 27		B		
Amount 13K from Part 13 of Schedule 27		C		
Personal services business income	**432**	D		
Amount from line 400, 405, 410, or 428 on page 4, whichever is the least		E		
Aggregate investment income from line 440 on page 6*		F		
Subtotal (**add** amounts B to F)		▶		G
Amount A **minus** amount G (if negative, enter "0")			562,968	H
General tax reduction for Canadian-controlled private corporations – Amount H **multiplied** by 13 %			73,186	I

Enter amount I on line 638 on page 8.

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

General tax reduction

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

Taxable income from line 360 on page 3				J
Lesser of amounts 9B and 9H from Part 9 of Schedule 27		K		
Amount 13K from Part 13 of Schedule 27		L		
Personal services business income	**434**	M		
Subtotal (**add** amounts K to M)		▶		N
Amount J **minus** amount N (if negative, enter "0")				O
General tax reduction – Amount O **multiplied** by 13 %				P

Enter amount P on line 639 on page 8.

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the tax year

Aggregate investment income from Schedule 7 . . . . **440**		x 30 2 / 3 % =			A
Foreign non-business income tax credit from line 632 on page 8				B	
Foreign investment income from Schedule 7 . . . . **445**		x 8 % =		C	
Subtotal (amount B **minus** amount C) (if negative, enter "0")				▶	D
Amount A **minus** amount D (if negative, enter "0")					E
Taxable income from line 360 on page 3			562,968	F	
Amount from line 400, 405, 410, or 428 on page 4, whichever is the least			G		
Foreign non-business income tax credit from line 632 on page 8		x 75 / 29 =	H		
Foreign business income tax credit from line 636 on page 8 . .		x 4 =	I		
Subtotal (**add** amounts G to I)		▶		J	
Subtotal (amount F **minus** amount J)			562,968	K x 30 2 / 3 % =	172,644 L
Part I tax payable minus investment tax credit refund (line 700 **minus** line 780 from page 9)					66,391 M
Refundable portion of Part I tax – Amount E, L, or M, whichever is the least **450**					N

Refundable dividend tax on hand

Refundable dividend tax on hand (RDTOH) at the end of the previous tax year	460		
Dividend refund for the previous tax year	465		
Net RDTOH transferred on an amalgamation or the wind-up of a subsidiary	480		
Subtotal (line 460 **minus** line 465 **plus** line 480)			A
General rate income pool (GRIP) at the end of the previous tax year (from line 100 of Schedule 53)			B
Total eligible dividends paid in the previous tax year (from line 300 of Schedule 53)		C	
Total excessive eligible dividend designation in the previous tax year (from line 310 of Schedule 53)		D	
Subtotal (amount C **minus** amount D) (if negative, enter "0")		▶	E
Net GRIP at the end of the previous tax year (amount B **minus** amount E) (if negative, enter "0")		F	
GRIP transferred on an amalgamation or the wind-up of a subsidiary (total of lines 230 and 240 of Schedule 53)		G	
Subtotal (amount F **plus** amount G)		▶	H
Amount H **multiplied** by 38 1 / 3 %			I
Eligible refundable dividend tax on hand (ERDTOH) at the end of the previous tax year (for the first tax year starting after 2018, amount A or I, whichever is less, otherwise, use line 530 ________ of the preceding tax year)	520		J
Non-eligible refundable dividend tax on hand (NERDTOH) at the end of the previous tax year (for the first tax year starting after 2018, amount A **minus** amount I, otherwise, use line 545 ________ of the preceding tax year) (if negative, enter "0")	535		K
Part IV tax payable on taxable dividends from connected corporations (amount 2G from Schedule 3)		L	
Part IV tax payable on eligible dividends from non-connected corporations (amount 2J from Schedule 3)		M	
Subtotal (amount L **plus** amount M)		▶	N
Net ERDTOH transferred on an amalgamation or the wind-up of a subsidiary	525		O
ERDTOH dividend refund for the previous tax year	570		P
Refundable portion of Part I tax (from line 450 on page 6)			Q
Part IV tax before deductions (amount 2A from Schedule 3)		R	
Part IV tax allocated to ERDTOH (amount N)		S	
Part IV tax reduction due to Part IV.1 tax payable (amount 4D of Schedule 43)		T	
Subtotal (amount R **minus** total of amounts S and T)		▶	U
Net NERDTOH transferred on an amalgamation or the wind-up of a subsidiary	540		V
NERDTOH dividend refund for the previous tax year	575		W
38 1/3% of the total losses applied against Part IV tax (amount 2D from Schedule 3)			X
Part IV tax payable allocated to NERDTOH, net of losses claimed (amount U **minus** amount X) (if negative enter “0”)			Y
NERDTOH at the end of the tax year (total of amounts K, Q, V, and Y **minus** amount W) (if negative, enter "0")	545		
Part IV tax payable allocated to ERDTOH, net of losses claimed (amount N **minus** the amount, if any, by which amount X exceeds amount U) (if negative, enter "0")			Z
ERDTOH at the end of the tax year (total of amounts J, O, and Z **minus** amount P) (if negative, enter "0")	530		

Dividend refund

38 1/3% of total eligible dividends paid in the tax year (amount 3A from Schedule 3)	AA
ERDTOH balance at the end of the tax year (line 530)	BB
Eligible dividend refund (amount AA or BB, whichever is less)	CC
38 1/3% of total non-eligible taxable dividends paid in the tax year (amount 3B from Schedule 3)	DD
NERDTOH balance at the end of the tax year (line 545)	EE
Non-eligible dividend refund (amount DD or EE, whichever is less)	FF
Amount DD **minus** amount EE (if negative, enter "0")	GG
Amount BB **minus** amount CC (if negative, enter "0")	HH
Additional non-eligible dividend refund (amount GG or HH, whichever is less)	II
Dividend refund – Amount CC **plus** amount FF **plus** amount II	JJ

Enter amount JJ on line 784 on page 9.

Part I tax

Base amount Part I tax – Taxable income (from line 360 on page 3) **multiplied** by 38 %			550	213,928	A
Additional tax on personal services business income (section 123.5)					
Taxable income from a personal services business	555	x 5 % =	560		B
Recapture of investment tax credit from Schedule 31			602		C

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

Aggregate investment income from line 440 on page 6				D
Taxable income from line 360 on page 3	562,968	E		
Deduct:				
Amount from line 400, 405, 410, or 428 on page 4, whichever is the least		F		
Net amount (amount E **minus** amount F)	562,968	▶	562,968	G

Refundable tax on CCPC's investment income – 10 2 / 3 % of whichever is less: amount D or amount G	604		H
Subtotal (**add** amounts A, B, C, and H)		213,928	I

Deduct:

Small business deduction from line 430 on page 4			J		
Federal tax abatement	608	56,297			
Manufacturing and processing profits deduction from Schedule 27	616				
Investment corporation deduction	620				
Taxed capital gains 624					
Federal foreign non-business income tax credit from Schedule 21	632				
Federal foreign business income tax credit from Schedule 21	636				
General tax reduction for CCPCs from amount I on page 5	638	73,186			
General tax reduction from amount P on page 5	639				
Federal logging tax credit from Schedule 21	640				
Eligible Canadian bank deduction under section 125.21	641				
Federal qualifying environmental trust tax credit	648				
Investment tax credit from Schedule 31	652	18,054			
Subtotal		147,537	▶	147,537	K

Part I tax payable – Amount I **minus** amount K	66,391	L

Enter amount L on line 700 on page 9.

Privacy notice

Personal information (including the SIN) is collected to administer or enforce the Income Tax Act and related programs and activities including administering tax, benefits, audit, compliance, and collection. The information collected may be used or disclosed for the purposes of other federal acts that provide for the imposition and collection of a tax or duty. It may also be disclosed to other federal, provincial, territorial, or foreign government institutions to the extent authorized by law. Failure to provide this information may result in paying interest or penalties, or in other actions. Under the Privacy Act, individuals have a right of protection, access to and correction of their personal information, or to file a complaint with the Privacy Commissioner of Canada regarding the handling of their personal information. Refer to Personal Information Bank CRA PPU 047 on Info Source at **canada.ca/cra-info-source**.

Summary of tax and credits

Federal tax

Part I tax payable from amount L on page 8	700	66,391
Part III.1 tax payable from Schedule 55	710	
Part IV tax payable from Schedule 3	712	
Part IV.1 tax payable from Schedule 43	716	
Part VI tax payable from Schedule 38	720	
Part VI.1 tax payable from Schedule 43	724	
Part XIII.1 tax payable from Schedule 92	727	
Part XIV tax payable from Schedule 20	728	
Total federal tax		66,391

Add provincial or territorial tax:

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

Net provincial or territorial tax payable (except Quebec and Alberta)	760	73,701
Total tax payable	770	140,092 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780		
Dividend refund from amount JJ on page 7	784		
Federal capital gains refund from Schedule 18	788		
Federal qualifying environmental trust tax credit refund	792		
Return of fuel charge proceeds to farmers tax credit from Schedule 63	795		
Canadian film or video production tax credit (Form T1131)	796		
Film or video production services tax credit (Form T1177)	797		
Canadian journalism labour tax credit from Schedule 58	798		
Air quality improvement tax credit from Schedule 65	799		
Tax withheld at source	800		
Total payments on which tax has been withheld	801		
Provincial and territorial capital gains refund from Schedule 18	808		
Provincial and territorial refundable tax credits from Schedule 5	812		
Tax instalments paid	840	176,863	
Total credits	890	176,863 ▶	176,863 B
Balance (amount A **minus** amount B)			-36,771

If the result is negative, you have **a refund**. If the result is positive, you have a **balance owing**.
Enter the amount below on whichever line applies.

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

Refund code 894 1 Refund 36,771 Balance owing

For information on how to enrol for direct deposit, go to **canada.ca/cra-direct-deposit**.

For information on how to make your payment, go to **canada.ca/payments**.

If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due? 896 Yes ☐ No ☒

If this return was prepared by a tax preparer for a fee, provide their EFILE number 920 C5622

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

Certification

I, 950 McAllister (Last name) 951 Glen (First name) 954 CFO (Position, office, or rank),

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

955 2022-11-04 — Date (yyyy/mm/dd)
Signature of the authorized signing officer of the corporation
956 (705) 431-6870 — Telephone number

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

958 Lisa McCaskie — Name of other authorized person
959 (705) 431-6870 — Telephone number

Language of correspondence – Langue de correspondance

Indicate your language of correspondence by entering **1** for English or **2** for French.
Indiquez votre langue de correspondance en inscrivant **1** pour anglais ou **2** pour français. 990 1

Canada Revenue Agency / Agence du revenu du Canada

Net Income (Loss) for Income Tax Purposes

Schedule 1

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2021-12-31

- Use this schedule to reconcile the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes. For more information, see the T2 Corporation – Income Tax Guide.
- All legislative references are to the Income Tax Act.

Net income (loss) after taxes and extraordinary items from line 9999 of Schedule 125			2,595,000	A

Add:

	Line	Amount		
Provision for income taxes – current	101	350,000		
Provision for income taxes – deferred	102	530,000		
Interest and penalties on taxes	103	4,307		
Amortization of tangible assets	104	3,249,000		
Loss on disposal of assets	111	345,000		
Scientific research expenditures deducted per financial statements	118	146,748		
Non-deductible meals and entertainment expenses	121	1,612		
Reserves from financial statements – balance at the end of the year	126	162,065		
Subtotal of additions		4,788,732	4,788,732	

Add:

Other additions:

	1 Description 605	2 Amount 295
1	Inducement under 12(1)(x) ITA	7,369,121
2	Customer Deposits - paragraph 20(1)(a)	39,000
3	Amortization of Capital Lease	54,000
4	Amortization expensed in distribution expenses	146,011
	Total of column 2	7,608,132

	Line	Amount		
Total of column 2	296	7,608,132		
Subtotal of other additions	199	7,608,132	7,608,132	D
Total additions	500	12,396,864	12,396,864	
Amount A **plus** line 500			14,991,864	B

Deduct:

	Line	Amount	
Capital cost allowance from Schedule 8	403	5,106,841	
SR&ED expenditures claimed in the year on line 460 from Form T661	411	123,263	
Reserves from financial statements – balance at the beginning of the year	414	131,083	
Subtotal of deductions		5,361,187	5,361,187

Deduct:

Other deductions:

	1 Description 705	2 Amount 395
1	13(7.4) electon re contributed capital	7,381,961
2	Capital Lease payments	43,000
3	Customer Deposits - paragraph 20(1)(m)	39,000
4	Amortization of deferred contribution	927,000
5	Tax movement in reg. account	530,000
6	SR&ED expenditures capitalized for accounting	146,748
	Total of column 2	9,067,709

	Line	Amount
Total of column 2	396	9,067,709

Subtotal of other deductions	499	9,067,709 ▶	9,067,709	E
Total deductions	510	14,428,896 ▶	14,428,896	
Net income (loss) for income tax purposes (amount B **minus** line 510)			562,968	C

Enter amount C on line 300 of the T2 return.

Canada Revenue Agency / Agence du revenu du Canada

Schedule 5

Tax Calculation Supplementary – Corporations

Corporation's name	Business Number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2021-12-31

- Use this schedule if any of the following apply to your corporation during the tax year:
  - it had a permanent establishment in more than one jurisdiction (corporations that have no taxable income should only complete columns A, B, and D in Part 1)
  - it is claiming provincial or territorial tax credits or rebates (see Part 2)
  - it has to pay taxes, other than income tax, for Newfoundland and Labrador or Ontario (see Part 2)
- All legislative references are to the federal Income Tax Regulations (the Regulations).
- For more information, see the T2 Corporation – Income Tax Guide.
- For the regulation number to be entered in field 100 of Part 1, see the chart below.

Part 1 – Allocation of taxable income

100 ______ Enter the regulation that applies (402 to 413)

A Jurisdiction. Tick yes if your corporation had a permanent establishment in the jurisdiction during the tax year Note 1		B Total salaries and wages paid in jurisdiction	C (B x taxable income) / G	D Gross revenue attributable to jurisdiction	E (D x taxable income) / H	F Allocation of taxable income (C + E) x 1/2 Note 2 (where either G or H is nil, do not multiply by 1/2)
Newfoundland and Labrador	003 Yes ☐	103		143		
Newfoundland and Labrador Offshore	004 Yes ☐	104		144		
Prince Edward Island	005 Yes ☐	105		145		
Nova Scotia	007 Yes ☐	107		147		
Nova Scotia Offshore	008 Yes ☐	108		148		
New Brunswick	009 Yes ☐	109		149		
Quebec	011 Yes ☐	111		151		
Ontario	013 Yes ☐	113		153		
Manitoba	015 Yes ☐	115		155		
Saskatchewan	017 Yes ☐	117		157		
Alberta	019 Yes ☐	119		159		
British Columbia	021 Yes ☐	121		161		
Yukon	023 Yes ☐	123		163		
Northwest Territories	025 Yes ☐	125		165		
Nunavut	026 Yes ☐	126		166		
Outside Canada	027 Yes ☐	127		167		
Total		129 G		169 H		

Note 1: **Permanent establishment** is defined in subsection 400(2).
Note 2: For corporations other than those described under section 402, use the appropriate calculation described in the Regulations to allocate taxable income.

Notes:
1. After determining the allocation of taxable income, you have to calculate the corporation's provincial or territorial tax payable. For more information on how to calculate the tax for each province or territory, see the instructions for Schedule 5 in the T2 Corporation – Income Tax Guide.
2. If your corporation has provincial or territorial tax payable, complete Part 2.
3. If your corporation is a member of a partnership and the partnership had a permanent establishment in a jurisdiction, select the jurisdiction in Column A and include your proportionate share of the partnership's salaries and wages and gross revenue in columns B and D, respectively.

Part 2 – Ontario tax payable, tax credits, and rebates

Total taxable income	Income eligible for small business deduction	Provincial or territorial allocation of taxable income	Provincial or territorial tax payable before credits
562,968		562,968	64,741

	Line	Amount		Total	
Ontario basic income tax (from Schedule 500)	270	64,741			
Ontario small business deduction (from Schedule 500)	402				
Subtotal (line 270 **minus** line 402)		64,741	▶	64,741	5A
Ontario transitional tax debits (from Schedule 506)	276				
Recapture of Ontario research and development tax credit (from Schedule 508)	277				
Subtotal (line 276 **plus** line 277)			▶		5B
Gross Ontario tax (amount 5A **plus** amount 5B)				64,741	5C
Ontario resource tax credit (from Schedule 504)	404				
Ontario tax credit for manufacturing and processing (from Schedule 502)	406				
Ontario foreign tax credit (from Schedule 21)	408				
Ontario credit union tax reduction (from Schedule 500)	410				
Ontario political contributions tax credit (from Schedule 525)	415				
Ontario non-refundable tax credits (total of lines 404 to 415)			▶		5D
Subtotal (amount 5C **minus** amount 5D) (if negative, enter "0")				64,741	5E
Ontario research and development tax credit (from Schedule 508)			416	4,365	
Ontario corporate income tax payable before Ontario corporate minimum tax credit and Ontario community food program donation tax credit for farmers (amount 5E **minus** line 416) (if negative, enter "0")				60,376	5F
Ontario corporate minimum tax credit (from Schedule 510)			418		
Ontario community food program donation tax credit for farmers (from Schedule 2)			420		
Ontario corporate income tax payable (amount 5F **minus** the total of lines 418 and 420) (if negative, enter "0")				60,376	5G
Ontario corporate minimum tax (from Schedule 510)	278	19,166			
Ontario special additional tax on life insurance corporations (from Schedule 512)	280				
Subtotal (line 278 **plus** line 280)		19,166	▶	19,166	5H
Total Ontario tax payable before refundable tax credits (amount 5G **plus** amount 5H)				79,542	5I
Ontario qualifying environmental trust tax credit	450				
Ontario co-operative education tax credit (from Schedule 550)	452	5,841			
Ontario apprenticeship training tax credit (from Schedule 552)	454				
Ontario computer animation and special effects tax credit (from Schedule 554)	456				
Ontario film and television tax credit (from Schedule 556)	458				
Ontario production services tax credit (from Schedule 558)	460				
Ontario interactive digital media tax credit (from Schedule 560)	462				
Ontario book publishing tax credit (from Schedule 564)	466				
Ontario innovation tax credit (from Schedule 566)	468				
Ontario business-research institute tax credit (from Schedule 568)	470				
Ontario regional opportunities investment tax credit (from Schedule 570)	472				
Ontario refundable tax credits (total of lines 450 to 472)		5,841	▶	5,841	5J
Net Ontario tax payable or refundable tax credit (amount 5I **minus** amount 5J) (if a credit, enter amount in brackets) Include this amount on line 255.			290	73,701	

Summary

Enter the total net tax payable or refundable tax credits for all provinces and territories on line 255.

Net provincial and territorial tax payable or refundable tax credits . . . . . 255 — 73,701

If the amount on line 255 is positive, enter the net provincial and territorial tax payable on line 760 of the T2 return.
If the amount on line 255 is negative, enter the net provincial and territorial refundable tax credits on line 812 of the T2 return.

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Schedule 8

Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2021-12-31

For more information, see the section called "Capital Cost Allowance" in the T2 Corporation Income Tax Guide.

Is the corporation electing under Regulation 1101(5q)? **101** Yes [ ] No [X]

Part 1 – Agreement between associated eligible persons or partnerships (EPOPs)

Are you associated in the tax year with one or more EPOPs with which you have entered into an agreement under subsection 1104(3.3) of the Regulations? . . . . **105** Yes [X] No [ ]

If you answered **yes**, complete Part 1. Otherwise, go to Part 2.

Enter a percentage assigned to each associated EPOP (including your corporation) as determined in the agreement.

This percentage will be used to allocate the immediate expensing limit. The total of all the percentages assigned under the agreement should not exceed 100%. If the total is more than 100%, then the associated group has an immediate expensing limit of nil. For more information about the immediate expensing limit, see note 12 in Part 2.

	1 Name of EPOP **110**	2 Identification number See note 1 **115**	3 Percentage assigned under the agreement **120**
1.	InnPower Corporation	892422817RC0001	100.0000
2.	Innservices Utilities Inc.	816897326RC0001	
3.	Town of Innisfil	NR	
4.	Innterprises Inc.	865564595RC0001	
		Total	100.0000

Immediate expensing limit allocated to the corporation (see note 2) **125** 1,169,665

Note 1: The identification number is the social insurance number, business number, or partnership account number of the EPOP.

Note 2: If the total of column 3 is more than 100%, enter 0.

Part 2 – CCA calculation

	1 Class number See note 3 200	Description	2 Undepreciated capital cost (UCC) at the beginning of the year 201	3 Cost of acquisitions during the year (new property must be available for use) See note 4 203	4 Cost of acquisitions from column 3 that are designated immediate expensing property (DIEP) See note 5 232	5 Adjustments and transfers See note 6 205	6 Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition See note 7 221	7 Amount from column 5 that is repaid during the year for a property, subsequent to its disposition See note 8 222	8 Proceeds of dispositions See note 9 207
1.	1	Buildings	19,557,413						0
2.	8	Equipment and tools	1,184,032	352,191	251,848				0
3.	10	Rolling stock and vehicles	281,828	668,543	668,543				0
4.	45	Computer equipment and software	26						0
5.	47	Electrical energy distribution	26,693,284	5,648,148					36,000
6.	50	Computer equipment	120,072	177,601					0
7.	14.1		163,396						0
8.	1b	Building	263,821	43,734					0
9.	95	WIP	5,121,000						1,314,000
		Totals	53,384,872	6,890,217	920,391				1,350,000

	1 Class number See note 3	Description	9 Proceeds of dispositions of the DIEP (enter amount from column 8 that relates to the DIEP reported in column 4) 234	10 UCC (column 2 **plus** column 3 **plus** or **minus** column 5 **minus** column 8) See note 10	11 UCC of the DIEP (enter the UCC amount that relates to the DIEP reported in column 4) See note 11 236	12 Immediate expensing See note 12 238	13 Cost of acquisitions on remainder of Class (column 3 **minus** column 4 **plus** column 11 **minus** column 12)	14 Cost of acquisitions from column 13 that are accelerated investment incentive properties (AIIP) or properties included in Classes 54 to 56 See note 13 225	15 Remaining UCC (column 10 **minus** column 12) (if negative, enter "0")	16 Proceeds of disposition available to reduce the UCC of AIIP and property included in Classes 54 to 56 (column 8 **minus** column 9 **plus** column 6 **minus** column 13 **plus** column 14 **minus** column 7) (if negative, enter "0") See note 14
1.	1	Buildings		19,557,413					19,557,413	
2.	8	Equipment and tools		1,536,223	251,848	251,848	100,343	100,343	1,284,375	
3.	10	Rolling stock and vehicles		950,371	668,543	668,543			281,828	
4.	45	Computer equipment and software		26					26	
5.	47	Electrical energy distribution		32,305,432			5,648,148	5,648,148	32,305,432	36,000
6.	50	Computer equipment		297,673			177,601	177,601	297,673	
7.	14.1			163,396					163,396	
8.	1b	Building		307,555			43,734	43,734	307,555	

	1 Class number See note 3	Description	9 Proceeds of dispositions of the DIEP (enter amount from column 8 that relates to the DIEP reported in column 4) 234	10 UCC (column 2 **plus** column 3 **plus** or **minus** column 5 **minus** column 8) See note 10	11 UCC of the DIEP (enter the UCC amount that relates to the DIEP reported in column 4) See note 11 236	12 Immediate expensing See note 12 238	13 Cost of acquisitions on remainder of Class (column 3 **minus** column 4 **plus** column 11 **minus** column 12)	14 Cost of acquisitions from column 13 that are accelerated investment incentive properties (AIIP) or properties included in Classes 54 to 56 See note 13 225	15 Remaining UCC (column 10 **minus** column 12) (if negative, enter "0")	16 Proceeds of disposition available to reduce the UCC of AIIP and property included in Classes 54 to 56 (column 8 **minus** column 9 **plus** column 6 **minus** column 13 **plus** column 14 **minus** column 7) (if negative, enter "0") See note 14
9.	95	WIP		3,807,000					3,807,000	1,314,000
		Totals		58,925,089	920,391	920,391	5,969,826	5,969,826	58,004,698	1,350,000

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Part 2 – CCA calculation (continued)

	1 Class number See note 3	Description	17 Net capital cost additions of AIIP and property included in Classes 54 to 56 acquired during the year (column 14 **minus** column 16) (if negative, enter "0")	18 UCC adjustment for AIIP and property included in Classes 54 to 56 acquired during the year (column 17 **multiplied** by the relevant factor) See note 15	19 UCC adjustment for property acquired during the year other than AIIP and property included in Classes 54 to 56 (0.5 **multiplied** by the result of column 13 **minus** column 14 **minus** column 6 **plus** column 7 **minus** column 8 **plus** column 9) (if negative, enter "0") See note 16 224	20 CCA rate % See note 17 212	21 Recapture of CCA See note 18 213	22 Terminal loss See note 19 215	23 CCA (for declining balance method, the result of column 15 **plus** column 18 **minus** column 19, **multiplied** by column 20, or a lower amount, **plus** column 12) See note 20 217	24 UCC at the end of the year (column 10 **minus** column 23) 220
1.	1	Buildings				4	0	0	782,297	18,775,116
2.	8	Equipment and tools	100,343	50,172		20	0	0	518,757	1,017,466
3.	10	Rolling stock and vehicles				30	0	0	753,091	197,280
4.	45	Computer equipment and software				45	0	0	12	14
5.	47	Electrical energy distribution	5,612,148	2,806,074		8	0	0	2,808,920	29,496,512
6.	50	Computer equipment	177,601	88,801		55	0	0	212,561	85,112
7.	14.1					5	0	0	11,438	151,958
8.	1b	Building	43,734	21,867		6	0	0	19,765	287,790
9.	95	WIP				0	0	0		3,807,000
		Totals	5,933,826	2,966,914					5,106,841	53,818,248

Enter the total of column 21 on line 107 of Schedule 1.
Enter the total of column 22 on line 404 of Schedule 1.
Enter the total of column 23 on line 403 of Schedule 1.

Note 3: If a class number has not been provided in Schedule II of the Income Tax Regulations for a particular class of property, use the subsection provided in Regulation 1101.

Note 4: Include any property acquired in previous years that has now become available for use, net of any government assistance received or entitled to be received in the year from a government, municipality or other public authority, or a reduction of capital cost after the application of section 80. This property would have been previously excluded from column 3. List separately any acquisitions of property in the class that are not subject to the 50% rule. See Income Tax Folio S3-F4-C1, General Discussion of Capital Cost Allowance, for exceptions to the 50% rule.

Note 5: A DIEP reported in column 4 is a property acquired after April 18, 2021, by a corporation that was a Canadian-controlled private corporation (CCPC) throughout the year, which became available for use in the tax year (before 2024) and was designated as such on or before the day that is 12 months after the filing-due date for the tax year to which the designation relates. It includes all capital property subject to the CCA rules, if certain conditions are met, other than property included in Classes 1 to 6, 14.1, 17, 47, 49, and 51. A property can only qualify as DIEP in the year in which it becomes available for use. See subsection 1104(3.1) of the Regulations for more information.

Note 6: Enter in column 5, "Adjustments and transfers", amounts that increase or reduce the UCC (column 10). Items that increase the UCC include amounts transferred under section 85, or transferred on amalgamation or winding-up of a subsidiary. Items that reduce the UCC (show amounts that reduce the UCC in brackets) include assistance received or receivable during the year for a property, subsequent to its disposition, if such assistance would have decreased the capital cost of the property by virtue of paragraph 13(7.1)(f). See the T2 Corporation Income Tax Guide for other examples of adjustments and transfers to include in column 5.
Also include property acquired in a non-arm's length transaction (other than by virtue of a right referred to in paragraph 251(5)(b) of the Act) if the property was a depreciable property acquired by the transferor at least 364 days before the end of your tax year and continuously owned by the transferor until it was acquired by you.

Note 7: Include all amounts of assistance you received (or were entitled to receive) after the disposition of a depreciable property that would have decreased the capital cost of the property by virtue of paragraph 13(7.1)(f) if received before the disposition.

Part 2 – CCA calculation (continued)

Note 8: Include all amounts you have repaid during the year for any legally required repayment, made after the disposition of a corresponding property, of:
- assistance that would have otherwise increased the capital cost of the property under paragraph 13(7.1)(d) and
- an inducement, assistance, or any other amount contemplated in paragraph 12(1)(x) received, that otherwise would have increased the capital cost of the property under paragraph 13(7.4)(b)

Include the UCC of each property of a prescribed class acquired in the course of a corporate reorganization described under paragraph 55(3)(b) of the Act (also known as "butterfly reorganization") or include property acquired in a non-arm's length transaction (other than by virtue of a right referred to in paragraph 251(5)(b) of the Act) if the property was a depreciable property acquired by the transferor less than 364 days before the end of your tax year and continuously owned by the transferor until it was acquired by you.

Note 9: For each property disposed of during the year, deduct from the proceeds of disposition any outlays and expenses to the extent that they were made or incurred for the purpose of making the disposition(s). The amount reported in respect of the property cannot exceed the property's capital cost, unless that property is a timber resource property as defined in subsection 13(21).
If the cost of a zero-emission passenger vehicle (or a passenger vehicle that was, at any time, a DIEP) exceeds the prescribed amount, the proceeds of disposition will be adjusted based on a factor equal to the prescribed amount as a proportion of the actual cost of the vehicle.

Note 10: If the amount in column 5 (as shown in brackets) reduces the undepreciated capital cost, you must subtract it for the purposes of the calculation. Otherwise, add the amount in column 5 for the purposes of the calculation.

Note 11: The only amounts incurred before April 19, 2021, to be included in this column are certain inventory purchases from arm's length persons or partnerships where the conditions in paragraphs 1100(0.3)(a) to (c) are met.

Note 12: Immediate expensing applies to a DIEP included in column 11. The total immediate expensing for the tax year (total of column 12) should not exceed the lesser of:

1. Immediate expensing limit: it is equal to one of the following five amounts, whichever is applicable:
- $1.5 million, if you are not associated with any other EPOP in the tax year
- amount from line 125, if you are associated in the tax year with one or more EPOPs
- nil, if the total of the percentages assigned in Part 1 is more than 100% or you are associated in the tax year with one or more EPOPs and have not filed an agreement in prescribed form as required under subsection 1104(3.3) of the Regulations
- the amount determined under subsection 1104(3.5) of the Regulations for any second or subsequent tax years ending in a calendar year, if you have two or more tax years ending in the calendar year in which you are associated with another EPOP that has a tax year ending in that calendar year
- any amount allocated by the minister under subsection 1104(3.4) of the Regulations

The immediate expensing limit has to be prorated if your tax year is less than 365 days. You cannot carry forward any unused amount of the immediate expensing limit.
2. UCC of the DIEP: total of column 11
You have to maintain the CCPC status throughout the relevant tax year in order to claim the immediate expensing.

Note 13: An AIIP is a property (other than property included in Classes 54 to 56) that you acquired after November 20, 2018, and that became available for use before 2028.
Classes 54 and 55 include zero-emission vehicles that you acquired after March 18, 2019, and that became available for use before 2028.
Class 56 applies to eligible zero-emission automotive equipment and vehicles (other than motor vehicles) that are acquired after March 1, 2020, and that became available for use before 2028.
See the T2 Corporation Income Tax Guide for more information.

Note 14: Include only elements from columns 6 and 7 that are not related to the DIEP.

Note 15: The relevant factors for property of a class in Schedule II, that is an AIIP or included in Classes 54 to 56, available for use before 2024 are:
- 2 1/3 for property in Classes 43.1, 54, and 56
- 1 1/2 for property in Class 55
- 1 for property in Classes 43.2 and 53
- 0 for property in Classes 12, 13, 14, and 15, as well as properties that are Canadian vessels included in paragraph 1100(1)(v) of the Regulations (see note 20 for additional information) and
- 0.5 for all other property that is an AIIP

Part 2 – CCA calculation (continued)

Note 16: The UCC adjustment for property acquired during the year (formerly known as the half-year rule or 50% rule) does not apply to certain property (including AIIP, property included in Classes 54 to 56, and property to which the immediate expensing was applied). Include only elements from columns 6 and 7 that are not related to the DIEP.
For special rules and exceptions, see Income Tax Folio S3-F4-C1, General Discussion of Capital Cost Allowance.

Note 17: Enter a rate only if you are using the declining balance method. For any other method (for example, the straight-line method, where calculations are always based on the cost of acquisitions), enter N/A. Then enter the amount you are claiming in column 23.

Note 18: If the amount in column 10 is negative, you have a recapture of CCA. If applicable, enter the negative amount from column 10 in column 21 as a positive. The recapture rules do not apply to passenger vehicles in Class 10.1. However, they do apply to a passenger vehicle that was, at any time, a DIEP.

Note 19: If no property is left in the class at the end of the tax year and there is still a positive amount in the column 10, you have a terminal loss. If applicable, enter the positive amount from column 10 in column 22. The terminal loss rules do not apply to:

- passenger vehicles in Class 10.1
- property in Class 14.1, unless you have ceased carrying on the business to which it relates
- limited-period franchises, concessions, or licences in Class 14 if, at the time of acquisition, the property was a former property of the transferor or any similar property attributable to the same fixed place of business, and you had jointly elected with the transferor to have the replacement property rules apply, unless certain conditions are met

Note 20: If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See the T2 Corporation Income Tax Guide for more information. For property in class 10.1 disposed of during the year, deduct a maximum of 50% of the regular CCA deduction if you owned the property at the beginning of the tax year. For AIIP listed below, the maximum first year allowance you can claim is determined as follows:

- Class 13: the lesser of 150% of the amount calculated in Schedule III of the Regulations and the UCC at the end of the tax year (before any CCA deduction)
- Class 14: the lesser of 150% of the allocation for the year of the capital cost of the property apportioned over the remaining life of the property (at the time the cost was incurred) and the UCC at the end of the tax year (before any CCA deduction)
- Class 15: the lesser of 150% of an amount computed on the basis of a rate per cord, board foot, or cubic metre cut in the tax year and the UCC at the end of the tax year (before any CCA deduction)
- Canadian vessels described under paragraph 1100(1)(v) of the Regulations: the lesser of 50% of the capital cost of the property and the UCC at the end of the tax year (before any CCA deduction)
- Class 41.2: use a 25% CCA rate. The additional allowance under paragraphs 1100(1)(y.2) (for single mine properties) and 1100(1)(ya.2) (for multiple mine properties) of the Regulations is not eligible for the accelerated investment incentive. The additional allowance in respect of natural gas liquefaction under paragraph 1100(1)(yb) of the Regulations is eligible for the accelerated investment incentive

The AIIP also apply to property (other than a timber resource property) that is a timber limit or a right to cut timber from a limit as well as to industrial mineral mine or a right to remove minerals from an industrial mineral mine. See the Income Tax Regulations for more detail.

Fixed Assets Reconciliation

Reconciliation of change in fixed assets per financial statements to amounts used per tax return.

Tax return

Additions for tax purposes – Schedule 8 regular classes		6,890,217		
Additions for tax purposes – Schedule 8 leasehold improvements	+			
Operating leases capitalized for book purposes	+			
Capital gain deferred	+			
Recapture deferred	+			
Deductible expenses capitalized for book purposes – Schedule 1	+			
Other (specify):				
Subsection 13(7.4) election	+	7,381,961		
Additions of Land Rights	+			
SRED expenditures capitalized for accounting	+			
Rounding	+			
Adj for gain on contributed capital	+	14,000		
Total additions per books	=	14,286,178	►	14,286,178
Proceeds up to original cost – Schedule 8 regular classes		1,350,000		
Proceeds up to original cost – Schedule 8 leasehold improvements	+			
Proceeds in excess of original cost – capital gain	+			
Recapture deferred – as above	+			
Capital gain deferred – as above	+			
Pre V-day appreciation	+			
Other (specify):				
Amortization of land rights	+			
Rounding	+	915		
Meters - reclassification	+			
Depreciation within distribution expense	+	146,011		
Total proceeds per books	=	1,496,926	► –	1,496,926
Depreciation and amortization per accounts – Schedule 1			–	3,249,000
Loss on disposal of fixed assets per accounts			–	345,000
Gain on disposal of fixed assets per accounts			+	
Net change per tax return			=	9,195,252

Financial statements

Fixed assets (excluding land) per financial statements

Closing net book value		97,559,000
Opening net book value	–	88,217,000
Net change per financial statements	=	9,342,000

If the amounts from the tax return and the financial statements differ, explain why below.

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Schedule 31

Investment Tax Credit – Corporations

General information

- Use this schedule:
  - to calculate an investment tax credit (ITC) earned during the tax year
  - to claim a deduction against Part I tax payable
  - to claim a refund of credit earned during the current tax year
  - to claim a carryforward of credit from previous tax years
  - to transfer a credit following an amalgamation or the wind-up of a subsidiary, as described under subsections 87(1) and 88(1)
  - to request a credit carryback to one or more previous years
  - if you are subject to a recapture of ITC
  - if you are claiming:
    - the **Ontario Research and Development Tax Credit**
    - the **Ontario Innovation Tax Credit**
- Unless otherwise stated, all legislative references are to the federal Income Tax Act and Income Tax Regulations.
- The ITC is eligible for a three-year carryback (if not deductible in the year earned). It is also eligible for a twenty-year carryforward.
- Investments or expenditures, described in subsection 127(9) and Regulation Part XLVI, that currently earn an ITC are:
  - qualified property and qualified resource property (Parts 4 to 7 of this schedule)
  - qualified scientific research and experimental development (SR&ED) expenditures (Parts 8 to 17). File Form T661, Scientific Research and Experimental Development (SR&ED) Expenditures Claim
  - pre-production mining expenditures (Part 18)
    - You can no longer claim the ITC for the pre-production mining expenditures. Only unused credits that have not expired can be carried forward for up to 20 tax years following the tax year in which you made the investment.
  - apprenticeship job creation expenditures (Parts 19 to 21)
  - child care spaces expenditures (Parts 22 to 26)
    - Expenditures related to child care spaces incurred after March 21, 2017, no longer qualify for the ITC. However, if you entered into a written agreement before March 22, 2017, eligible expenditures incurred before 2020 remain eligible for the credit.
- File this schedule with the T2 Corporation Income Tax Return. If you need more space, attach additional schedules.
- For more information on ITCs, see "Investment Tax Credit" in Guide T4012, T2 Corporation – Income Tax Guide and read Information Circular IC78-4, Investment Tax Credit Rates, and its related Special Release.
- For more information on SR&ED, see Guide T4088, Scientific Research and Experimental Development (SR&ED) Expenditures Claim – Guide to Form T661.

Detailed information

- For the purpose of this schedule, **investment** means the capital cost of the property (excluding amounts added by an election under section 21), determined without reference to subsections 13(7.1) and 13(7.4), minus the amount of any government or non-government assistance that the corporation has received, is entitled to receive, or can reasonably be expected to receive for that property at the time it files the income tax return for the year in which the property was acquired.
- An ITC deducted in a tax year for a depreciable property, other than a depreciable property deductible under paragraph 37(1)(b), reduces both the capital cost of that property and the undepreciated capital cost of that class in the next tax year. An ITC for SR&ED deducted or refunded in a tax year will reduce the balance in the pool of deductible SR&ED expenditures and the adjusted cost base (ACB) of an interest in a partnership in the next tax year. An ITC from pre-production mining expenditures deducted in a tax year reduces the balance in the pool of deductible cumulative Canadian exploration expenses in the next tax year.
- Property acquired has to be **available for use** before a claim for an ITC can be made. See subsections 127(11.2) and 248(19) for more information.
- Expenditures for SR&ED qualifying for an ITC must be identified by the claimant on Form T661 and Schedule 31 no later than 12 months after the claimant's income tax return is due for the tax year in which it incurred the expenditures.
- Expenditures for apprenticeship or child care space for an ITC must be identified by the claimant on Schedule 31 no later than 12 months after the claimant's income tax return is due for the tax year in which it incurred the expenditures or capital costs.
- Partnership allocations – Subsection 127(8) provides for the allocation of the amount that may reasonably be considered to be a partner's share of the ITCs of the partnership at the end of the fiscal period of the partnership. An allocation of ITCs is generally considered to be the partner's reasonable share of the ITCs if it is made in the same proportion in which the partners have agreed to share any income or loss and if section 103 is not applicable for the agreement to share any income or loss. Special rules apply to specified members of a partnership and limited partners.
For more information, see Guide T4068, Guide for the Partnership Information Return (T5013 Forms).
- For tax purposes, Canada includes the **exclusive economic zone of Canada** as defined in the Oceans Act (which generally consists of an area of the sea that is within 200 nautical miles from the Canadian coastline), including the airspace, seabed and subsoil of that zone.
- For the purpose of this schedule, the expression **Atlantic Canada** includes the Gaspé Peninsula and the provinces of Newfoundland and Labrador, Prince Edward Island, Nova Scotia, and New Brunswick, as well as their respective offshore regions (prescribed in Regulation 4609).

Detailed information (continued)

- For the purpose of this schedule, **qualified property** means property in Atlantic Canada that is used primarily for manufacturing and processing, farming or fishing, logging, storing grain, or harvesting peat. Property in Atlantic Canada that is used primarily for oil and gas, and mining activities is considered qualified property only if acquired by the taxpayer **before** March 29, 2012, unless transitional measures were granted*. Qualified property includes new buildings and new machinery and equipment (prescribed in Regulation 4600), and new energy generation and conservation property (prescribed in Regulation 4600). Qualified property can also be used primarily to produce or process electrical energy or steam in a prescribed area (as described in Regulation 4610). See the definition of **qualified property** in subsection 127(9) for more information.
- For the purpose of this schedule, **qualified resource property** means property in Atlantic Canada that is used primarily for oil and gas, and mining activities, if acquired by the taxpayer **after** March 28, 2012, and **before** January 1, 2016. Qualified resource property includes new buildings and new machinery and equipment (prescribed in Regulation 4600). See the definition of **qualified resource property** in subsection 127(9) for more information.

Part 1 – Investments, expenditures, and percentages

Investments	**Specified percentage**
Qualified property acquired primarily for use in Atlantic Canada	10 %
Qualified resource property acquired primarily for use in Atlantic Canada and acquired:	
– after March 28, 2012, and before 2014	10 %
– after 2013 and before 2016	5 %
– after 2015*	0 %
Expenditures	
If you are a Canadian-controlled private corporation (CCPC), this percentage may apply to the portion that you claim of the SR&ED qualified expenditure pool that does not exceed your expenditure limit (see Part 10)	35 %
Note: If your current year's qualified expenditures are more than your expenditure limit (see Part 10), the excess is eligible for an ITC calculated at the 15% rate.	
If you are a corporation that is not a CCPC and have incurred qualified expenditures for SR&ED in any area in Canada	15 %
If you paid salary and wages to apprentices in the first 24 months of their apprenticeship contract for employment	10 %
If you incurred expenditures after March 18, 2007, and before March 22, 2017 (or before 2020 if you entered into a written agreement before March 22, 2017) for the creation of licensed child care spaces for the children of your employees and, potentially, for other children	25 %

* A transitional relief rate of 10% may apply to property acquired after 2013 and before 2017, if the property is acquired under a written agreement entered into before March 29, 2012, or the property is acquired as part of a **phase** of a project where the construction or the engineering and design work for the construction started before March 29, 2012. See paragraph (a.1) of the definition of **specified percentage** in subsection 127(9) for more information.

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2021-12-31

Part 2 – Determination of a qualifying corporation

Is the corporation a qualifying corporation? . . . . **101** Yes [ ] No [X]

For the purpose of a refundable ITC, a **qualifying corporation** is defined under subsection 127.1(2). The corporation has to be a CCPC and its taxable income (before any loss carrybacks) for its previous tax year cannot be more than its **qualifying income limit** for the particular tax year. If the corporation is associated with any other corporations during the tax year, the total of the taxable incomes of the corporation and the associated corporations (before any loss carrybacks), for their last tax year ending in the previous calendar year, cannot be more than their qualifying income limit for the particular tax year.

Note: A CCPC considered associated with another corporation under subsection 256(1) will be considered **not** associated for the calculation of a refundable ITC if both of the following conditions are met:

- one corporation is associated with another corporation only because one or more persons own shares of the capital stock of both corporations
- one of the corporations has at least one shareholder who is not common to both corporations

If you are a **qualifying** corporation, you will earn a **100%** refund on your share of any ITCs earned at the 35% rate on qualified expenditures for SR&ED, up to the allocated expenditure limit.

Some CCPCs that are **not qualifying** corporations may also earn a **100%** refund on their share of any ITCs earned at the 35% rate on qualified expenditures for SR&ED, up to the allocated expenditure limit. The expenditure limit can be determined in Part 10.

The 100% refund will not be available to a corporation that is an **excluded corporation** as defined under subsection 127.1(2). A corporation is an excluded corporation if, at any time during the year, it is a corporation that is either controlled by (directly or indirectly, in any manner whatever) or is related to one of the following:

a) one or more persons exempt from Part I tax under section 149
b) Her Majesty in right of a province, a Canadian municipality, or any other public authority
c) any combination of persons referred to in a) or b) above

Part 3 – Corporations in the farming industry

Complete this area if the corporation is making SR&ED contributions.

Is the corporation claiming a contribution in the current year to an agricultural organization whose goal is to finance SR&ED work (for example, check-off dues)? . . . . **102** Yes [ ] No [X]

If **yes**, complete Schedule 125, Income Statement Information, to identify the type of farming industry the corporation is involved in.

Contributions to agricultural organizations for SR&ED* . . . . ________ x 80 % = **103** ________
Enter on line 350 of Part 8.

* Enter only contributions not already included on Form T661.

Qualified Property and Qualified Resource Property

Part 4 – Eligible investments for qualified property and qualified resource property from the current tax year

Capital cost allowance class number **105**	Description of investment **110**	Date available for use **115**	Location used in Atlantic Canada (province) **120**	Amount of investment **125**
			Total of investments for qualified property and qualified resource property	A1

Part 5 – Current-year credit and account balances – ITC from investments in qualified property and qualified resource property

ITC at the end of the previous tax year			B1
Credit deemed as a remittance of co-op corporations	210		
Credit expired	215		
Subtotal (line 210 **plus** line 215)		▶	C1
ITC at the beginning of the tax year (amount B1 **minus** amount C1)		220	
Credit transferred on an amalgamation or the wind-up of a subsidiary	230		
ITC from repayment of assistance	235		
Qualified property; and qualified resource property acquired after March 28, 2012, and before January 1, 2014* (applicable part from amount A1 in Part 4) ______ x 10 % =	240		
Qualified resource property acquired after December 31, 2013, and before January 1, 2016 (applicable part from amount A1 in Part 4) ______ x 5 % =	242		
Credit allocated from a partnership	250		
Subtotal (total of lines 230 to 250)		▶	D1
Total credit available (line 220 **plus** amount D1)			E1
Credit deducted from Part I tax	260		
Credit carried back to previous years (amount H1 in Part 6)	a		
Credit transferred to offset Part VII tax liability	280		
Subtotal (total of line 260, amount a, and line 280)		▶	F1
Credit balance before refund (amount E1 **minus** amount F1)			G1
Refund of credit claimed on investments from qualified property and qualified resource property (from Part 7)		310	
ITC closing balance of investments from qualified property and qualified resource property (amount G1 **minus** line 310)		320	

* Include investments acquired after 2013 and before 2017 that are eligible for transitional relief.

Part 6 – Request for carryback of credit from investments in qualified property and qualified resource property

	Year	Month	Day			
1st previous tax year				Credit to be applied	901	
2nd previous tax year				Credit to be applied	902	
3rd previous tax year				Credit to be applied	903	

Total of lines 901 to 903
Enter at amount a in Part 5. H1

Part 7 – Refund of ITC for qualifying corporations on investments from qualified property and qualified resource property

Current-year ITCs (total of lines 240, 242, and 250 in Part 5)	I1
Credit balance before refund (from amount G1 in Part 5)	J1
Refund (40 % of amount I1 or J1, whichever is less)	K1

Enter amount K1 or a lesser amount on line 310 in Part 5 (also enter on line 780 of the T2 return if you do not claim an SR&ED ITC refund).

SR&ED

Part 8 – Qualified SR&ED expenditures

Current expenditures (from line 559 on Form T661)		120,359		
Contributions to agricultural organizations for SR&ED				
Deduct:				
Government assistance, non-government assistance, or contract payment				
Subtotal				
x	80 %			
Contributions to agricultural organizations for SR&ED for the federal ITC (this amount is updated to line 103 of Part 3. For more details, consult the Help.)*	▶ +			
Qualified SR&ED expenditures (line 559 on Form T661 **plus** line 103 in Part 3)*		120,359 ▶	350	120,359
Repayments made in the year (from line 560 on Form T661)			370	
Total qualified SR&ED expenditures (line 350 **plus** line 370)			380	120,359

* If you are claiming only contributions made to agricultural organizations for SR&ED, line 350 should equal line 103 in Part 3. Do not file Form T661.

Part 9 – Components of the SR&ED expenditure limit calculation

Part 9 only applies if you are a CCPC.

Note: A CCPC considered associated with another corporation under subsection 256(1) will be considered not associated for the calculation of an SR&ED expenditure limit if both of the following apply:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of the corporation
- one of the corporations has at least one shareholder who is not common to both corporations

Is the corporation associated with another CCPC for the purpose of calculating the SR&ED expenditure limit? **385** Yes [X] No [ ]

If you answered **no** to the question on line 385 or if you are not associated with any other corporations, complete lines 390 and 398.
If you answered **yes**, complete Schedule 49, Agreement Among Associated Canadian-Controlled Private Corporations to Allocate the Expenditure Limit, to determine the amounts for associated corporations.

Enter your taxable income for the previous tax year* (prior to any loss carrybacks applied) **390** ____

Enter your taxable capital employed in Canada for the previous tax year **minus** $10 million. If this amount is nil or negative, enter "0". If this amount is over $40 million, enter $40 million **398** ____

* If the tax year referred to on line 390 is less than 51 weeks, **multiply** the taxable income by the following result: 365 **divided** by the number of days in that tax year.

Part 10 – SR&ED expenditure limit for a CCPC

For a stand-alone (not associated) corporation			$ **8,000,000**	
Taxable income for the previous tax year (line 390 in Part 9) or $500,000, whichever is more		x 10 =		A2
Excess ($8,000,000 **minus** amount A2; if negative, enter "0")				B2
$ 40,000,000 **minus** line 398 in Part 9		b		
Amount b **divided** by $ 40,000,000				C2
For tax years ending before March 19, 2019 Amount B2 **multiplied** by amount C2				D2
For tax years ending after March 18, 2019 **multiplied** by amount C2				E2
Expenditure limit for the stand-alone corporation (amount D2 or amount E2, whichever applies)*				F2
For an associated corporation: If associated, the allocation of the SR&ED expenditure limit, as provided on Schedule 49*		400		G2

If your tax year is less than 51 weeks, calculate the amount of the expenditure limit as follows:

Amount F2 or G2 ____ x Number of days in the tax year 365 / 365 = ____ H2

Your SR&ED expenditure limit for the year (enter amount F2, G2, or H2, whichever applies) **410** ____

* Amount F2 or G2 cannot be more than $3,000,000.

Part 11 – Investment tax credits on SR&ED expenditures

Qualified SR&ED expenditures (from line 350 in Part 8) or the expenditure limit (from line 410 in Part 10), whichever is less*	420		x 35 %	=		I2
Line 350 **minus** line 410 (if negative, enter "0")	430	120,359	x 15 %	=	18,054	J2

If a corporation makes a repayment of any government or non-government assistance, or contract payments that reduced the amount of qualified expenditures for ITC purposes, the amount of the repayment is eligible for a credit.

Repayments (amount from line 370 in Part 8) . . . . .

Enter the amount of the repayment on the line that corresponds to the appropriate rate.

Repayment of assistance that reduced a qualifying expenditure for a CCPC**	460		x 35 %	=		c
Repayment of assistance made after September 16, 2016, that reduced a qualifying expenditure incurred before 2015	480		x 20 %	=		d
Repayment of assistance made after September 16, 2016, that reduced a qualifying expenditure incurred after 2014	490		x 15 %	=		e
Subtotal (total of amounts c to e)					▶	K2
Current-year SR&ED ITC (total of amounts I2 to K2; enter on line 540 in Part 12)					18,054	L2

* For corporations that are not CCPCs, enter "0" for amount I2.

** If you were a Canadian-controlled private corporation (CCPC), this percentage was applied to the portion that you claimed of the SR&ED qualified expenditure pool that did not exceed your expenditure limit at the time. This percentage includes the rate under subsection 127(10.1), **Additions to investment tax credit**. See subsection 127(10.1) for details about exceptions. For expenditures not eligible for this rate use line 480 or 490 as appropriate.

Part 12 – Current-year credit and account balances – ITC from SR&ED expenditures

ITC at the end of the previous tax year					M2
Credit deemed as a remittance of co-op corporations	510				
Credit expired	515				
Subtotal (line 510 **plus** line 515)			▶		N2
ITC at the beginning of the tax year (amount M2 **minus** amount N2)			520		
Credit transferred on an amalgamation or the wind-up of a subsidiary	530				
Total current-year credit (from amount L2 in Part 11)	540	18,054			
Credit allocated from a partnership	550				
Subtotal (total of lines 530 to 550)		18,054	▶	18,054	O2
Total credit available (line 520 **plus** amount O2)				18,054	P2
Credit deducted from Part I tax	560	18,054			
Credit carried back to previous years (amount S2 in Part 13)			f		
Credit transferred to offset Part VII tax liability	580				
Subtotal (total of line 560, amount f, and line 580)		18,054	▶	18,054	Q2
Credit balance before refund (amount P2 **minus** amount Q2)					R2
Refund of credit claimed on SR&ED expenditures (from Part 14 or 15, whichever applies)			610		
ITC closing balance on SR&ED (amount R2 **minus** line 610)			620		

Part 13 – Request for carryback of credit from SR&ED expenditures

	Year Month Day			
1st previous tax year		Credit to be applied	911	
2nd previous tax year		Credit to be applied	912	
3rd previous tax year		Credit to be applied	913	

Total of lines 911 to 913
Enter at amount f in Part 12. S2

Part 14 – Refund of ITC for qualifying corporations – SR&ED

Complete this part only if you are a qualifying corporation as determined on line 101 in Part 2.

Is the corporation an excluded corporation as defined under subsection 127.1(2)? 650 Yes [ ] No [X]

Current-year ITC (lines 540 **plus** 550 in Part 12 **minus** amount K2 in Part 11) g

Refundable credits (amount g or amount R2 in Part 12, whichever is less)* T2

Amount T2 or amount I2 in Part 11, whichever is less U2

Net amount (amount T2 **minus** amount U2; if negative, enter "0") V2

Amount V2 **multiplied** by 40 % W2

Amount U2 X2

Refund of ITC (amount W2 **plus** amount X2 – enter this, or a lesser amount, on line 610 in Part 12) Y2

Enter the total of line 310 in Part 5 and line 610 in Part 12 on line 780 of the T2 return.

* If you are also an excluded corporation, as defined in subsection 127.1(2), this amount must be multiplied by 40%. Claim this, or a lesser amount, as your refund of ITC for amount Y2.

Part 15 – Refund of ITC for CCPCs that are not qualifying or excluded corporations – SR&ED

Complete this part only if you are a CCPC that is not a qualifying or excluded corporation as determined on line 101 in Part 2.

Credit balance before refund (amount R2 in Part 12) Z2

Refund of ITC (amount Z2 or amount I2 in Part 11, whichever is less) AA2

Enter amount AA2, or a lesser amount, on line 610 in Part 12 and also on line 780 of the T2 return.

Recapture – SR&ED

Part 16 – Recapture of ITC for corporations and partnerships – SR&ED

You will have a recapture of ITC in a year when **all** of the following conditions are met:

- you acquired a particular property in the current year or in any of the 20 previous tax years, and the credit was earned in a tax year ending after 1997 and did not expire before 2008
- you claimed the cost of the property as a qualified expenditure for SR&ED on Form T661
- the cost of the property was included in calculating your ITC or was the subject of an agreement made under subsection 127(13) to transfer qualified expenditures
- you disposed of the property or converted it to commercial use after February 23, 1998. This condition is also met if you disposed of or converted to commercial use a property that incorporates the particular property previously referred to

Note:

The recapture **does not apply** if you disposed of the property to a non-arm's-length purchaser who intended to use it all or substantially all for SR&ED. When the non-arm's-length purchaser later sells or converts the property to commercial use, the recapture rules will apply to the purchaser based on the historical ITC rate of the original user.

You will report a recapture on the T2 return for the year in which you disposed of the property or converted it to commercial use. In the following tax year, add the amount of the ITC recapture to the SR&ED expenditure pool.

If you have more than one disposition for calculations 1 and 2, complete the columns for each disposition for which a recapture applies, using the calculation formats below.

Calculation 1 – If you meet all of the above conditions

Amount of ITC you originally calculated for the property you acquired, or the original user's ITC where you acquired the property from a non-arm's length party, as described in the **note** above 700	Amount calculated using ITC rate at the date of acquisition (or the original user's date of acquisition) on either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value of the property (in any other case) 710	Amount from column 700 or 710, whichever is less

Subtotal
Enter at amount C3 in Part 17. A3

Calculation 2 – Only if you transferred all or a part of the qualified expenditure to another person under an agreement described in subsection 127(13); otherwise, enter nil at amount B3.

A Rate that the transferee used in determining its ITC for qualified expenditures under a subsection 127(13) agreement 720	B Proceeds of disposition of the property if you dispose of it to an arm's length person; or, in any other case, enter the fair market value of the property at conversion or disposition 730	C Amount, if any, already provided for in Calculation 1 (This allows for the situation where only part of the cost of a property is transferred under a subsection 127(13) agreement.) 740	D Amount determined by the formula (A x B) – C	E ITC earned by the transferee for the qualified expenditures that were transferred 750	F Amount from column D or E, whichever is less

Subtotal (total of column F)
Enter at amount D3 in Part 17. B3

Part 16 – Recapture of ITC for corporations and partnerships – SR&ED (continued)

Calculation 3

As a member of the partnership, you will report your share of the SR&ED ITC of the partnership after the SR&ED ITC has been reduced by the amount of the recapture. If this amount is a positive amount, you will report it on line 550 in Part 12. However, if the partnership does not have enough ITC otherwise available to offset the recapture, then the amount by which reductions to ITC exceed additions (the excess) will be determined and reported on line 760.

Corporate partner's share of the excess of SR&ED ITC **760** ______
Enter at amount E3 in Part 17.

Part 17 – Total recapture of SR&ED investment tax credit

Recaptured ITC from calculation 1, amount A3 in Part 16		C3
Recaptured ITC from calculation 2, amount B3 in Part 16		D3
Recaptured ITC from calculation 3, line 760 in Part 16		E3
Total recapture of SR&ED investment tax credit (total of amounts C3 to E3) Enter at amount A8 in Part 27.		F3

Pre-Production Mining

Part 18 – Account balances – ITC from pre-production mining expenditures

ITC at the end of the previous tax year				A4
Credit deemed as a remittance of co-op corporations	**841**			
Credit expired	**845**			
Subtotal (line 841 **plus** line 845)			►	B4
ITC at the beginning of the tax year (amount A4 **minus** amount B4)			**850**	
Credit transferred on an amalgamation or the wind-up of a subsidiary			**860**	
Total credit available (line 850 **plus** line 860)				C4
Amount of unused credit carried forward from previous years and applied to reduce Part I tax payable in the current year			**885**	
ITC closing balance from pre-production mining expenditures (amount C4 **minus** line 885)			**890**	

Apprenticeship Job Creation

Part 19 – Total current-year credit – ITC from apprenticeship job creation expenditures

If you are a related person as defined under subsection 251(2), has it been agreed in writing that you are the only employer who will be claiming the apprenticeship job creation tax credit for this tax year for each apprentice whose contract number (or social insurance number (SIN) or name) appears below? (If not, you cannot claim the tax credit.) . . . . 611 Yes ☐ No ☐

For each apprentice in their first 24 months of the apprenticeship, enter the apprenticeship contract number registered with Canada, or a province or territory, under an apprenticeship program designed to certify or license individuals in the trade. For the province, the trade must be a Red Seal trade. If there is no contract number, enter the SIN or the name of the eligible apprentice.

A Contract number (SIN or name of apprentice) 601	B Name of eligible trade 602	C Eligible salary and wages* 603	D Column C x 10 % 604	E Lesser of column D or $ 2,000 605

Total current-year credit (total of column E)
Enter on line 640 in Part 20. ______ A5

* Other than qualified expenditure incurred, and net of any other government or non-government assistance received or to be received. **Eligible salary and wages**, and **qualified expenditures** are defined under subsection 127(9).

Part 20 – Current-year credit and account balances – ITC from apprenticeship job creation expenditures

ITC at the end of the previous tax year			B5
Credit deemed as a remittance of co-op corporations	612		
Credit expired after 20 tax years	615		
Subtotal (line 612 **plus** line 615)		►	C5
ITC at the beginning of the tax year (amount B5 **minus** amount C5)		625	
Credit transferred on an amalgamation or the wind-up of a subsidiary	630		
ITC from repayment of assistance	635		
Total current-year credit (amount A5 in Part 19)	640		
Credit allocated from a partnership	655		
Subtotal (total of lines 630 to 655)		►	D5
Total credit available (line 625 **plus** amount D5)			E5
Credit deducted from Part I tax	660		
Credit carried back to previous years (amount G5 in Part 21)	h		
Subtotal (line 660 **plus** amount h)		►	F5
ITC closing balance from apprenticeship job creation expenditures (amount E5 **minus** amount F5)		690	

Part 21 – Request for carryback of credit from apprenticeship job creation expenditures

	Year Month Day		
1st previous tax year		. . . . Credit to be applied	931
2nd previous tax year		. . . . Credit to be applied	932
3rd previous tax year		. . . . Credit to be applied	933

Total of lines 931 to 933
Enter at amount h in Part 20. ______ G5

Child Care Spaces

Part 22 – Eligible child care spaces expenditures

Enter the eligible expenditures that you incurred after March 18, 2007, and before March 22, 2017,* to create licensed child care spaces for the children of the employees and, potentially, for other children. You cannot be carrying on a child care services business. The eligible expenditures include:

- the cost of depreciable property (other than specified property)
- the specified child care start-up expenditures

Properties should be acquired and expenditures should be incurred only to create new child care spaces at a licensed child care facility.

Cost of depreciable property from the current tax year

	Capital cost allowance class number 665	Description of investment 675	Date available for use 685	Amount of investment 695
1.				

Total cost of depreciable property from the current tax year (total of column 695) 715 ______

Specified child care start-up expenditures from the current tax year . . . 705 ______

Total gross eligible expenditures for child care spaces (line 715 **plus** line 705) . . . ______ A6

Total of all assistance (including grants, subsidies, rebates, and forgivable loans) or reimbursements that the corporation has received or is entitled to receive in respect of the amounts referred to in amount A6 . . . 725 ______

Excess (amount A6 **minus** line 725) (if negative, enter "0") . . . ______ B6

Repayments by the corporation of government and non-government assistance . . . 735 ______

Total eligible expenditures for child care spaces (amount B6 **plus** line 735) . . . 745 ______

* If you entered into a written agreement before March 22, 2017, eligible expenditures incurred before 2020 will remain eligible for the credit.

Part 23 – Current-year credit – ITC from child care spaces expenditures

The credit is equal to 25% of eligible child care spaces expenditures incurred to a maximum of $10,000 per child care space created in a licensed child care facility.

Eligible expenditures (from line 745 in Part 22) . . . ______ x 25 % = ______ C6

Number of child care spaces created in the year . . . 755 ______ x $ 10,000 = ______ D6

ITC from child care spaces expenditures (amount C6 or D6, whichever is less) . . . ______ E6

Part 24 – Current-year credit and account balances – ITC from child care spaces expenditures

ITC at the end of the previous tax year			F6
Credit deemed as a remittance of co-op corporations	765		
Credit expired after 20 tax years	770		
Subtotal (line 765 **plus** line 770)		▶	G6
ITC at the beginning of the tax year (amount F6 **minus** amount G6)		775	
Credit transferred on an amalgamation or the wind-up of a subsidiary	777		
Total current-year credit (amount E6 in Part 23)	780		
Credit allocated from a partnership	782		
Subtotal (total of lines 777 to 782)		▶	H6
Total credit available (line 775 **plus** amount H6)			I6
Credit deducted from Part I tax	785		
Credit carried back to previous years (amount K6 in Part 25)		i	
Subtotal (line 785 **plus** amount i)		▶	J6
ITC closing balance from child care spaces expenditures (amount I6 **minus** amount J6)		790	

Part 25 – Request for carryback of credit from child care space expenditures

	Year Month Day			
1st previous tax year	2020-12-31	Credit to be applied	941	
2nd previous tax year	2019-12-31	Credit to be applied	942	
3rd previous tax year	2018-12-31	Credit to be applied	943	
		Total of lines 941 to 943 Enter at amount i in Part 24.		K6

Recapture – Child Care Spaces

Part 26 – Recapture of ITC for corporations and partnerships – Child care spaces

The ITC will be added to the taxpayer's tax otherwise payable under Part I of the Act if, at any time within 60 months of the day on which the taxpayer acquired the property, one of the following situations takes place:

- the new child care space is no longer available
- property that was an eligible expenditure for the child care space is
  - disposed of or leased to a lessee
  - converted to another use

If the property disposed of is a child care space, the amount that can reasonably be considered to have been included in the original ITC (paragraph 127(27.12)(a)) . . . **792** ______

In the case of eligible expenditures (paragraph 127(27.12)(b)), the lesser of:

The amount that can reasonably be considered to have been included in the original ITC . . . **795** ______

25% of either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value (in any other case) of the property . . . **797** ______

Amount from line 795 or line 797, whichever is less . . . ______ A7

Partnerships

As a member of the partnership, you will report your share of the child care spaces ITC of the partnership after the child care spaces ITC has been reduced by the amount of the recapture. If this amount is a positive amount, you will report it on line 782 in Part 24. However, if the partnership does not have enough ITC otherwise available to offset the recapture, then the amount by which reductions to ITC exceed additions (the excess) will be determined and reported on line 799 below.

Corporate partner's share of the excess of ITC **799** ______

Total recapture of child care spaces investment tax credit (total of line 792, amount A7, and line 799) . . . ______ B7
Enter at amount B8 in Part 27.

Summary of Investment Tax Credits

Part 27 – Total recapture of investment tax credit

Recaptured SR&ED ITC (amount F3 in Part 17)		A8
Recaptured child care spaces ITC (amount B7 in Part 26)		B8
Total recapture of investment tax credit (amount A8 **plus** amount B8)		C8

Enter on line 602 of the T2 return.

Part 28 – Total ITC deducted from Part I tax

ITC from investments in qualified property deducted from Part I tax (line 260 in Part 5)		D8
ITC from SR&ED expenditures deducted from Part I tax (line 560 in Part 12)	18,054	E8
ITC from pre-production mining expenditures deducted from Part I tax (line 885 in Part 18)		F8
ITC from apprenticeship job creation expenditures deducted from Part I tax (line 660 in Part 20)		G8
ITC from child care space expenditures deducted from Part I tax (line 785 in Part 24)		H8
Total ITC deducted from Part I tax (total of amounts D8 to H8)	18,054	I8

Enter on line 652 of the T2 return.

Part 4 – Worksheet to calculate the GRIP addition post-amalgamation, post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year), or the corporation is becoming a CCPC

nb. 1 Corporation becoming a CCPC . . . . . ☐ Post amalgamation . . . . ☐ Post wind-up . . . . ☐

Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary was not a CCPC or a DIC in its last tax year. The last tax year for a predecessor corporation was its tax year that ended immediately before the amalgamation and for a subsidiary corporation was its tax year during which its assets were distributed to the parent on the wind-up.

Calculate the GRIP addition of a successor corporation following an amalgamation at the end of its first tax year.

Calculate the GRIP addition of a parent corporation upon wind-up at the end of the tax year that ends immediately after the tax year in which the parent has received the assets of the subsidiary.

In the calculation below, **corporation** means a predecessor or a subsidiary. Complete a separate worksheet for **each** predecessor and **each** subsidiary that was not a CCPC or a DIC in its last year. Keep a copy of this calculation for your records, in case we ask to see it later.

Cost amount to the corporation of all property immediately before the end of its previous/last tax year . . . . ______ A5

The corporation's money on hand immediately before the end of its previous/last tax year . . . . ______ B5

Total of subsection 111(1) losses that would have been deductible in calculating the corporation's taxable income for the previous/last tax year if the corporation had had unlimited income from each business carried on and each property held and had realized an unlimited amount of capital gains for the previous/last tax year:

Non-capital losses . . . . ______ C5

Net capital losses . . . . ______ D5

Farm losses . . . . ______ E5

Restricted farm losses . . . . ______ F5

Limited partnership losses . . . . ______ G5

Subtotal (**add** amounts C5 to G5) ______ ► ______ H5

Total of all amounts deducted under subsection 111(1) in calculating the corporation's taxable income for the previous/last tax year:

Non-capital losses . . . . ______ I5

Net capital losses . . . . ______ J5

Farm losses . . . . ______ K5

Restricted farm losses . . . . ______ L5

Limited partnership losses . . . . ______ M5

Subtotal (**add** amounts I5 to M5) ______ ► ______ N5

Unused and unexpired losses at the end of the corporation's previous/last tax year (amount H5 **minus** amount N5) ______ ► ______ O5

Subtotal (**add** amounts A5, B5, and O5) ______ P5

All the corporation's debts and other obligations to pay that were outstanding immediately before the end of its previous/last tax year . . . . ______ Q5

Paid-up capital of all the corporation's issued and outstanding shares of capital stock immediately before the end of its previous/last tax year . . . . ______ R5

All the corporation's reserves deducted in its previous/last tax year . . . . ______ S5

The corporation's capital dividend account immediately before the end of its previous/last tax year . . . . ______ T5

The corporation's low rate income pool immediately before the end of its previous/last tax year . . . . ______ U5

Subtotal (**add** amounts Q5 to U5) ______ ► ______ V5

GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year), or the corporation is becoming a CCPC (amount P5 **minus** amount V5) (if negative, enter "0") . . . . ______ W5

After you complete this worksheet for each predecessor and each subsidiary, calculate the total of all the W5 amounts. Enter this total amount on:

- line 220 for a corporation becoming a CCPC;
- line 230 for post-amalgamation; or
- line 240 for post-wind-up.

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Schedule 500

Ontario Corporation Tax Calculation

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2021-12-31

- Use this schedule if your corporation had a **permanent establishment** (as defined in section 400 of the federal Income Tax Regulations) in Ontario at any time in the tax year and had Ontario taxable income in the year.
- Legislative references are to the federal Income Tax Act and Income Tax Regulations.
- This schedule is a worksheet only and is not required to be filed with your T2 Corporation Income Tax Return.

Part 1 – Ontario basic income tax

Ontario taxable income Note 1	562,968	1A
Ontario basic rate of tax for the year	**11.5** %	1B
Ontario basic income tax (amount 1A **multiplied** by amount 1B) Note 2	64,741	1C

Note 1 If your corporation had a permanent establishment only in Ontario, enter the amount from line 360, from page 3 of the T2 return. Otherwise, enter the taxable income allocated to Ontario from column F in Part 1 of Schedule 5.

Note 2 If your corporation had a permanent establishment in more than one jurisdiction or is claiming an Ontario tax credit in addition to Ontario basic income tax, or Ontario corporate minimum tax or Ontario special additional tax on life insurance corporations payable, enter amount 1C on line 270 of Schedule 5, Tax Calculation Supplementary – Corporations. Otherwise, enter it on line 760 of the T2 return.

Part 2 – Ontario small business deduction (OSBD)

Complete this part if your corporation claimed the federal small business deduction under subsection 125(1).

Line 400 of the T2 return	1,813,968	2A
Line 405 of the T2 return		2B
Line 410 of the T2 return		2C
Line 415 of the T2 return	473,201	2D

Amount 2C ______ x Amount 2D 473,201 / 11,250 = ______ 2E

Line 515 of the T2 return		2F
Subtotal (amount 2C **minus** amount 2E **minus** amount 2F)		2G
Amount 2A, 2B or 2G whichever is the least		2H

Ontario domestic factor (ODF): Taxable income for Ontario Note 3 / Taxable income for all provinces Note 4 = 562,968.00 / 562,968 = 1.00000 2I

Amount 2H **multiplied** by amount 2I		2J
Ontario taxable income (amount 1A)	562,968	2K
Ontario small business income (amount 2J or 2K, whichever is less)		2L

Ontario small business deduction for the year

Amount 2L ______ x (Number of days in the tax year before January 1, 2020 ______ / Number of days in the tax year 365) x 8 % = ______ 2M

Amount 2L ______ x (Number of days in the tax year after December 31, 2019 365 / Number of days in the tax year 365) x 8.3 % = ______ 2N

Ontario small business deduction for the year (amount 2M **plus** amount 2N) ______ 2O
Enter amount 2O on line 402 of Schedule 5.

Note 3 Enter amount 1A.

Note 4 Includes the territories and the offshore jurisdictions for Nova Scotia and Newfoundland and Labrador.

Part 3 – Ontario adjusted small business income

Complete this part if your corporation was a Canadian-controlled private corporation throughout the tax year and is claiming the Ontario tax credit for manufacturing and processing or the Ontario credit union tax reduction.

Ontario adjusted small business income (amount 1A or 2H, whichever is the least) . . . . _______ 3A

Enter amount 3A at amount 4B in Part 4 of this schedule or at amount 2E in Part 2 of Schedule 502, Ontario Tax Credit for Manufacturing and Processing, whichever applies.

Part 4 – Credit union tax reduction

Complete this part and Schedule 17, Credit Union Deductions, if the corporation was a credit union throughout the tax year.

Amount 3C of Schedule 17 . . . . _______ 4A

Ontario adjusted small business income (amount 3A) . . . . _______ 4B

Subtotal (amount 4A **minus** amount 4B, if negative, enter "0") _______ ▶ _______ 4C

Amount 4C _______	x	Number of days in the tax year before January 1, 2020 / Number of days in the tax year	_______ / 365	x	8 %	=	_______ 4D
Amount 4C _______	x	Number of days in the tax year after December 31, 2019 / Number of days in the tax year	365 / 365	x	8.3 %	=	_______ 4E

Total (amount 4D **plus** amount 4E) _______ ▶ _______ 4F

Ontario domestic factor (amount 2I) 1.00000 4G

Ontario credit union tax reduction (amount 4F **multiplied** by amount 4G) . . . . _______ 4H
Enter amount 4H on line 410 of Schedule 5.

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Schedule 508

Ontario Research and Development Tax Credit

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2021-12-31

- Use this schedule to:
  - calculate an Ontario research and development tax credit (ORDTC);
  - claim an ORDTC earned in the tax year or carried forward from any of the 20 previous tax years that are a tax year ending after December 31, 2008, to reduce Ontario corporate income tax payable in the current tax year;
  - carry back an ORDTC earned in the tax year to reduce Ontario corporate income tax payable in any of the three previous tax years;
  - add an ORDTC that was allocated to the corporation by a partnership of which it was a member;
  - add an ORDTC transferred after an amalgamation or windup; or
  - calculate a recapture of the ORDTC.
- The ORDTC is a non-refundable tax credit on eligible expenditures incurred by a corporation in a tax year. The ORDTC rate is:
  - 4.5% for tax years that end before June 1, 2016;
  - 3.5% for tax years that start after May 31, 2016; and
  - prorated for a tax year that ends on or after June 1, 2016, and includes May 31, 2016.
- An eligible expenditure is an expenditure for a permanent establishment in Ontario of a corporation, that is a qualified expenditure for the purposes of section 127 of the federal *Income Tax Act* for scientific research and experimental development (SR&ED) carried on in Ontario.
- Only corporations that are not exempt from Ontario corporate income tax and none of whose income is exempt income can claim the ORDTC.
- Complete and attach this schedule to the *T2 Corporation Income Tax Return* for the tax year.
- To claim this credit, you must also send in completed copies of the Form T661, *Scientific Research and Experimental Development (SR&ED) Expenditures Claim*, and the Schedule 31, *Investment Tax Credit - Corporations*, within 18 months of the tax year end.

Part 1 – Ontario SR&ED expenditure pool

	Line	Amount			
Total eligible expenditures incurred by the corporation in Ontario in the tax year	100	124,724	A		
Government assistance, non-government assistance, or a contract payment for eligible expenditures	105		B		
Net eligible expenditures for the tax year (amount A **minus** amount B) (if negative, enter "0")		124,724	C		
Eligible expenditures transferred to the corporation by another corporation	110		D		
Subtotal (amount C **plus** amount D)		124,724	▶	124,724	E
Eligible expenditures the corporation transferred to another corporation	115				F
Ontario SR&ED expenditure pool (amount E **minus** amount F) (if negative, enter "0")	120			124,724	G

Part 2 – Eligible repayments

The repayment of the ORDTC is calculated using the ORDTC rate that you used to determine your tax credit at the time your eligible expenditures were reduced because of the government or non-government assistance, or contract payments. Enter the amount of the repayment on the line that corresponds to the appropriate rate.

Repayments for tax years that end before June 1, 2016 . . . . 210 ______ x 4.5 % = 215 ______ H

Repayment for a tax year that ends on or after June 1, 2016 and includes May 31, 2016. Complete the proration calculation below.

Number of days in the tax year before June 1, 2016	240	152	x	4.5 %	=	1.8689 %	1
Number of days in the tax year	241	366					
Number of days in the tax year after May 31, 2016	242	214	x	3.5 %	=	2.0464 %	2
Number of days in the tax year	243	366					
Subtotal (percentage 1 **plus** percentage 2)						3.9153 %	3

Repayments for a tax year that ends on or after June 1, 2016 and includes May 31, 2016 . . . . . . 211 ______ x percentage 3 3.9153 % = 216 ______ I

Part 2 – Eligible repayments (continued)

Repayments for tax years that start after May 31, 2016	212		x	3.5 %	= 217		J
Repayments made in the tax year of government or non-government assistance or contract payments that reduced eligible expenditures for first term or second term shared-use equipment acquired before 2014	220	x 1 / 4 =	x	4.5 %	= 225		K
Eligible repayments (total of amounts H to K)					229		L

Part 3 – Calculation of the current part of the ORDTC

For tax years that end before June 1, 2016

Ontario SR&ED expenditure pool (amount G in Part 1)		x	4.5 %	= 200		M
ORDTC allocated to the corporation by a partnership of which it is a member (other than a specified member) for a fiscal period that ends in the corporation's tax year *				205		N
Eligible repayments (amount L in Part 2)						O
Current part of the ORDTC for tax years that end before June 1, 2016 (total of amounts M to O)				230		P

For a tax year that ends on or after June 1, 2016, and includes May 31, 2016

(Number of days in the tax year before June 1, 2016 / Number of days in the tax year) ______ x 4.5 % = ______ % 4

(Number of days in the tax year after May 31, 2016 / Number of days in the tax year) ______ x 3.5 % = ______ % 5

Subtotal (percentage 4 **plus** percentage 5) ______ % 6

Ontario SR&ED expenditure pool (amount G in Part 1)		x	percentage 6 ______ %	= 201		Q
ORDTC allocated to the corporation by a partnership of which it is a member (other than a specified member) for a fiscal period that ends in the corporation's tax year *				206		R
Eligible repayments (amount L in Part 2)						S
Part of the ORDTC for a tax year that ends on or after June 1, 2016, and includes May 31, 2016 (total of amounts Q to S)				231		T

For tax years that start after May 31, 2016

Ontario SR&ED expenditure pool (amount G in Part 1)	124,724	x	3.5 %	= 202	4,365	U
ORDTC allocated to the corporation by a partnership of which it is a member (other than a specified member) for a fiscal period that ends in the corporation's tax year *				207		V
Eligible repayments (amount L in Part 2)						W
The ORDTC for tax years that start after May 31, 2016 (total of amounts U to W)				232	4,365	X

* If there is a disposal or change of use of eligible property, see Part 7 on page 4.

Part 4 – Calculation of ORDTC available for deduction and ORDTC balance

ORDTC balance at the end of the previous tax year				Y
ORDTC expired after 20 tax years		300		Z
ORDTC at the beginning of the tax year (amount Y **minus** amount Z)		305		AA
ORDTC transferred to the corporation on amalgamation or windup		310		BB
Current part of ORDTC (amount P, T or X in Part 3 whichever applies)	4,365 CC			

Are you waiving all or part of the current part of the ORDTC? . . . . . . **315** Yes 1 ☐ No 2 ☒

If you answered **yes** at line 315, enter the amount of the tax credit waived on line 320.

If you answered **no** at line 315, enter "0" on line 320.

Waiver of the current part of the ORDTC	320	DD		
Subtotal (amount CC **minus** amount DD)	4,365 ▶	4,365 EE		
ORDTC available for deduction (total of amounts AA, BB and EE)		4,365 ▶	4,365	FF
ORDTC claimed ** (Enter amount GG on line 416 on page 5 of Schedule 5, *Tax Calculation Supplementary – Corporations*)		4,365 GG		
ORDTC carried back to previous tax years (from Part 5)		HH		
Subtotal (amount GG **plus** amount HH)		4,365 ▶	4,365	II
ORDTC balance at the end of the tax year (amount FF **minus** amount II)		325		JJ

** This amount cannot be more than the lesser of the following amounts:
- ORDTC available for deduction (amount FF); or
- Ontario corporate income tax payable before the ORDTC and the Ontario corporate minimum tax credit (amount from line E6 on page 5 of Schedule 5).

Part 5 – Request for carryback of tax credit

	Year-Month-Day			
1st previous tax year	2020-12-31	Credit to be applied	901	
2nd previous tax year	2019-12-31	Credit to be applied	902	
3rd previous tax year	2018-12-31	Credit to be applied	903	

Total (total of amount 901 to 903)(enter at amount HH in Part 4)

Part 6 – Analysis of tax credit available for carryforward by tax year of origin

You can complete this part to show all the credits from previous tax years available for carryforward, by year of origin. This will help you determine the amount of credit that could expire in following years.

Tax year of origin (earliest tax year first) Year / Month / Day	Credit available
2001-12-31	
2002-12-31	
2003-12-31	
2004-12-31	
2005-12-31	
2006-12-31	
2007-12-31	
2008-12-31	
2009-12-31	
2010-12-31	

Tax year of origin (earliest tax year first) Year / Month / Day	Credit available
2011-12-31	
2012-12-31	
2013-12-31	
2014-12-31	
2015-12-31	
2016-12-31	
2017-12-31	
2018-12-31	
2019-12-31	
2020-12-31	
Current tax year 2021-12-31	

Total (equals line 325 in Part 4) ______

The amount available from the 20th previous tax year will expire after this year. When you file your return for the next year, you will enter the expired amount on line 300 of Schedule 508 for that year.

Part 7 – Calculation of a recapture of ORDTC

You will have a recapture of ORDTC in a tax year when you meet **all** of the following conditions:

- you acquired a particular property in the current year or in any of the 20 previous tax years if the ORDTC was earned in a tax year ending after 2008;
- you claimed the cost of the property as an eligible expenditure for the ORDTC;
- the cost of the property was included in computing your ORDTC or was subject to an agreement made under subsection 127(13) of the federal Act to transfer qualified expenditures and section 42 of the *Taxation Act, 2007* (Ontario) applied; and
- you disposed of the property or converted it to commercial use in a tax year ending after December 31, 2008. You also meet this condition if you disposed of or converted to commercial use a property which incorporates the particular property previously referred to.

Note: The recapture **does not apply** if you disposed of the property to a non-arm's length purchaser who intended to use it all or substantially all for SR&ED in Ontario. When the non-arm's length purchaser later sells or converts the property to commercial use, the recapture rules will apply to the purchaser based on the historical federal investment tax credit (ITC) rate ******* of the original user in Calculation 1 below.

You have to report the recapture on Schedule 5 for the year in which you disposed of the property or converted it to commercial use. If the corporation is a member of a partnership, report its share of the recapture.

Complete the columns for each disposition for which a recapture applies, using the calculation formats below.

*** Federal ITC in calculations 1 and 2 should be determined without reference to paragraph (e) of the definition **investment tax credit** in subsection 127(9) of the federal Act.

Calculation 1 – Complete this part If you meet all of the above conditions

	KK Amount of federal ITC you originally calculated for the property you acquired, or the original user's federal ITC where you acquired the property from a non-arm's length party, as described in the note above 700	LL Amount calculated using the federal ITC rate at the date of acquisition (or the original user's date of acquisition) on either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value of the property (in any other case) 710	MM Amount from column 700 or 710, whichever is less
1.			

Total of column MM (enter at amount WW in Part 8) ______ NN

Part 7 – Calculation of a recapture of ORDTC (continued)

Calculation 2 – If the corporation is deemed by subsection 42(1) of the *Taxation Act, 2007* (Ontario) to have transferred all or part of the eligible expenditure to another corporation as a consequence of an agreement described in subsection 127(13) of the federal Act complete Calculation 2. Otherwise, enter nil on line SS.

	OO Rate percentage that the transferee used to determine its federal ITC for qualified expenditure that was transferred under an agreement under subsection 127(13) of the federal Act 720	PP Proceeds of disposition of the property if you dispose of it to a person at arm's length; or, in any other case, the fair market value of the property at conversion or disposition 730	QQ Amount, if any, already provided for in Calculation 1 (this allows for the situation where only part of the cost of a property is transferred for an agreement under subsection 127(13) of the federal Act) 740
1.			

	RR Amount determined by the formula (OO x PP) - QQ (using the columns above)	SS Federal ITC earned by the transferee for the qualified expenditure that was transferred 750	TT Amount from column RR or SS, whichever is less
1.			

Total of column TT (enter at amount XX in Part 8) ____ UU

Calculation 3

As a member of a partnership, you will report your share of the ORDTC of the partnership after the ORDTC has been reduced by the amount of the recapture. If this is a positive amount, you will report it on line 205, 206, or 207 in Part 3, whichever applies. However, if the partnership does not have enough ORDTC otherwise available to offset the recapture, then the amount by which reductions to the ORDTC exceeds additions (the excess) will be determined and reported on line VV.

Corporate partner's share of the excess of ORDTC (enter at amount ZZ in Part 8) . . . . 760 ____ VV

Part 8 – Total recapture of ORDTC

Recaptured federal ITC for Calculation 1 (amount NN from Part 7) . . . . ____ WW

Recaptured federal ITC for Calculation 2 (amount UU from Part 7) . . . . ____ XX

Amount WW **plus** amount XX . . . . ____ x 23.56 % = ____ YY

Corporate partner's share of the excess of ORDTC for Calculation 3 (amount VV from Part 7) . . . . ____ ZZ

Recapture of ORDTC (amount YY **plus** amount ZZ) (enter amount AAA on line 277 on page 5 of Schedule 5) . . . . ____ AAA

Schedule A - Worksheet for eligible expenditures incurred by the corporation in Ontario for the current taxation year

This worksheet allows you to report the amount of eligible expenditures entered on Form T661, *Scientific Research and Experimental Development (SR&ED) Expenditures Claim* which represents eligible expenditures as defined in section 127 of the *Income Tax Act* (ITA) with regard to scientific research and experimental development (SR&ED) **carried on in Ontario and attributable to a permanent establishment in Ontario of a corporation**.

Data on the worksheet is calculated based on the amounts on Form T661, but will have to be adjusted according to the rules of Ontario, if applicable, in particular when the corporation has had a permanent establishment in more than one jurisdiction. This data will be used when calculating Schedule 508 and Schedule 566.

Total expenditures for SR&ED		146,748	
Add			
• payment of prior years' unpaid expenses (other than salary or wages)	+		
• prescribed proxy amount (Enter "0" if you use the traditional method)	+		
• other additions	+		
Subtotal	=	146,748	
Less			
• current expenditures (other than salary or wages) not paid within 180 days of the tax year end	–		
• amounts paid in respect of an SR&ED contract to a person or partnership that is not taxable supplier	–		
• 20% of contract expenditures for SR&ED performed on your behalf	–	22,024	
• prescribed expenditures not allowed by regulations	–		
• other deductions	–		
• non-arm's length transactions			
– expenditures for non-arm's length SR&ED contracts	–		
– purchases (limited to costs) of goods and services from non-arm's length suppliers	–		
Total	=	124,724	I

Enter amount I on line 100 of Schedule 508.

Canada Revenue Agency / Agence du revenu du Canada

Code 1901

Scientific Research and Experimental Development (SR&ED) Expenditures Claim

Use this form:
- to provide technical information on your SR&ED projects;
- to calculate your SR&ED expenditures; and
- to calculate your qualified SR&ED expenditures for investment tax credits (ITC).

To claim an ITC, use either:
- Schedule T2SCH31, Investment Tax Credit – Corporations; or
- Form T2038(IND), Investment Tax Credit (Individuals).

The information requested in this form and documents supporting your expenditures and project information (Part 2) are prescribed information.

In Part 6, a new box is added: Box 758 that must be filled if traditional method is used. The information is required for tax year ends after 2020 and optional for tax year ends before 2021.

Your SR&ED claim must be filed within 12 months of the filing due date of your income tax return.

To help you fill out this form, use the T4088, Guide to Form T661, which is available on our website: **canada.ca/taxes-sred**.

Part 1 – General information

010 Name of claimant: InnPower Corporation

Enter one of the following:

Business number (BN): 89242 2817 RC0001

Social insurance number (SIN):

Tax year From 2021-01-01 (Year Month Day) to 2021-12-31 (Year Month Day)

050 Total number of projects you are claiming this tax year: 1

100 Contact person for the financial information Lisa McCaskie	**105** Telephone number/extension (705) 431-6870	**110** Fax number
115 Contact person for the technical information Arthur Berdichevsky	**120** Telephone number/extension (705) 431-6870	**125** Fax number

151 If this claim is filed for a partnership, was Form T5013 Partnership Information Return filed? . . . . ☐ Yes ☐ No

If you answered **no** to line 151, complete lines 153, 156 and 157.

153 Names of the partners	**156** %	**157** BN or SIN
1		
2		
3		
4		
5		

Part 2 - Project information

CRA internal form identifier 060
Code 1901

Complete a separate Part 2 for each project claimed this year.

Section A - Project identification

200 Project title (and identification code if applicable)

See schedule

Part 3 – Calculation of SR&ED expenditures

What did you spend on your SR&ED projects?

Section A – Select the method to calculate the SR&ED expenditures

I elect (choose) to use the following method to calculate my SR&ED expenditures and related investment tax credits (ITC) for this tax year.
I understand that my election is irrevocable (cannot be changed) for this tax year.

160 1 [ ] I elect to use the proxy method (Enter "0" on line 360 and complete Part 5.)

162 1 [X] I choose to use the traditional method (Enter "0" on line 502. Complete line 360.)

Section B – Calculation of allowable SR&ED expenditures (to the nearest dollar)

	Line		Amount
• SR&ED portion of salary or wages of employees directly engaged in the SR&ED:			
a) Employees other than specified employees for work performed in Canada	300	+	18,209
b) Specified employees for work performed in Canada	305	+	
Subtotal (add lines 300 and 305)	306	=	18,209
c) Employees other than specified employees for work performed outside Canada (subject to limitations – see guide)	307	+	
d) Specified employees for work performed outside Canada (subject to limitations – see guide)	309	+	
• Salary or wages identified on line 315 in prior years that were paid in this tax year	310	+	
• Salary or wages incurred in the year but not paid within 180 days of the tax year end	315		
• Cost of materials consumed in performing SR&ED	320	+	
• Cost of materials transformed in performing SR&ED	325	+	
• Contract expenditures for SR&ED performed on your behalf:			
a) Arm's length contracts	340	+	110,120
b) Non-arm's length contracts	345	+	
• Overhead and other expenditures (enter "0" if you elected to use the proxy method at line 160)	360	+	18,419
• Third-party payments (complete Form T1263*)	370	+	
Total allowable SR&ED expenditures (add lines 306 to 370; do not add line 315)	380	=	146,748

If the above expenditures have been included in your income statement, enter this amount on line 118 of Schedule T2SCH1 or, if you are an individual, include this amount in your self-employment income (lines 135 to 143) reported on your individual income tax and benefit return.

Section C – Calculation of pool of deductible SR&ED expenditures (to the nearest dollar)

	Line		Amount
Amount from line 380	420		146,748
Deduct			
• provincial government assistance for expenditures included on line 380	429	–	4,365
• other government assistance for expenditures included on line 380	431	–	
• non-government assistance for expenditures included on line 380	432	–	
• SR&ED ITCs applied and/or refunded in the prior year (do not include ITCs allocated from a partnership)	435	–	19,120
• sale of SR&ED capital assets and other deductions	440	–	
Subtotal (line 420 minus lines 429 to 440)	442	=	123,263
Add			
• repayments of government and non-government assistance that previously reduced the SR&ED expenditure pool	445	+	
• prior year's pool balance of deductible SR&ED expenditures (from line 470 of prior year T661)	450	+	
• SR&ED expenditure pool transfer from amalgamation or wind-up	452	+	
• amount of SR&ED ITC recaptured in the prior year	453	+	
Amount available for deduction (add lines 442 to 453) (enter positive amount only, include negative amount in income)	455	=	123,263
• Deduction claimed in the year (Corporations should enter this amount on line 411 of schedule T2SCH1)	460	–	123,263
Pool balance of deductible SR&ED expenditures to be carried forward to future years (line 455 minus 460)	470	=	

* Form T1263, Third-Party Payments for Scientific Research and Experimental Development (SR&ED)

Part 4 – Calculation of qualified SR&ED expenditures for investment tax credit (ITC) purposes (to the nearest dollar)

The resulting amount is used to calculate your refundable and/or non refundable ITC.

	Line		Amount
Total allowable SR&ED expenditures (from line 380)	492		146,748
Add			
• payment of prior years' unpaid amounts (other than salary or wages) (see note 1)	500	+	
• prescribed proxy amount (complete Part 5) (Enter "0" if you use the traditional method)	502	+	
• qualified expenditures transferred to you (see note 3) (complete Form T1146**)	508	+	
Subtotal (add lines 492 to 508)	511	=	146,748
Deduct			
• provincial government assistance	513	–	4,365
• other government assistance	515	–	
• non-government assistance and contract payments	517	–	
• current expenditures (other than salary or wages) not paid within 180 days of the tax year end (see note 1)	520	–	
• 80% of the amounts paid in respect of an SR&ED contract to a person or partnership that is not a taxable supplier	528	–	
• 20% of the amount on lines 340 and 370	529	–	22,024
• prescribed expenditures not allowed by regulations (see guide)	530	–	
• other deductions (see guide)	533	–	
• non-arm's length transactions			
– assistance allocated to you (complete Form T1145*)	538	–	
– expenditures for non-arm's length SR&ED contracts (from line 345)	541	–	
– adjustments to purchases (limited to costs) of goods and services from non-arm's length suppliers (see guide)	542	–	
– qualified expenditures you transferred (complete Form T1146**)	544	–	
Qualified SR&ED expenditures (line 511 minus lines 513 to 544)	559	=	120,359
Add			
• repayments of assistance and contract payments made in the year	560	+	
Total qualified SR&ED expenditures for ITC purposes (add lines 559 and 560)	570	=	120,359

* Form T1145, Agreement to Allocate Assistance for SR&ED Between Persons Not Dealing at Arm's Length

** Form T1146, Agreement to Transfer Qualified Expenditures Incurred in Respect of SR&ED Contracts Between Persons Not Dealing at Arm's Length

Note 1 – For arm's length contracts, only include 80% of the contract amount.

Part 5 – Calculation of prescribed proxy amount (PPA)

A notional amount representing your overhead and other expenditures.

This part calculates the PPA to enter on line 502 in Part 4. Do not complete this part if you have chosen to use the traditional method in Part 3 (line 162).
You can only claim a PPA if you elected to use the proxy method for the year in Part 3 (line 160).

Special rules apply for specified employees. Calculate your salary base in Section A and the PPA in Section B.

Section A – Salary base

Salary or wages of employees other than specified employees (from lines 300 and 307) . . . . **810** + ______

Deduct

Bonuses, remuneration based on profits, and taxable benefits that were included on line 810 . . . . **812** – ______

Subtotal (line 810 minus 812) . . . . **814** = ______

Salary or wages of specified employees

850	852	854	856	858	860
Column 1	**Column 2**	**Column 3**	**Column 4**	**Column 5**	**Column 6**
Name of specified employee	Total salary or wages for the year (SR&ED and non-SR&ED) excluding bonuses, remuneration based on profits, and taxable benefits (to the nearest dollar)	% of time spent on SR&ED (maximum 75%)	Amount in column 2 multiplied by percentage in column 3	2,5 x A x B/365 A = Year's maximum pensionable earnings B = Number of days employed in tax year	Amount in column 4 or 5, whichever amount is less

(Enter total of column 6 on line 816) **816** + ______

Salary base (total of lines 814 and 816) . . . . **818** = ______

Section B – Prescribed proxy amount (PPA)

Enter 55 % of the salary base (line 818) . . . . **820** = ______

Enter the amount from line 820 on to line 502 in Part 4 unless the overall cap on PPA applies to you. (See the guide for explanation and example of the overall cap on PPA)

Part 6 – Project costs

Information requested in this part must be provided for **all** SR&ED projects claimed in the year.
Expenditures should be recorded and allocated on a project basis.

* For Box 758, the information is required for tax year ends after 2020 and optional for tax year ends before 2021.

750	752	754	756	758
Project title or identification code	Salary or wages in the tax year (Total of lines 306 to 309)	Cost of materials in the tax year (Total of lines 320 and 325)	Contract expenditures for SR&ED performed on your behalf in the tax year (Total of lines 340 and 345)	Overhead and other expenditures in the tax year* (total of line 360, if applicable)
1 2019-01 Smart Devices for Grid Management	18,209		110,120	18,419
Total	18,209		110,120	18,419

Part 7 – Additional information

Expenditures for SR&ED performed by you in Canada (line 380 minus lines 307, 309, 340, 345, and 370) **605** 36,628

From the total you entered on line 605, estimate the percentage of distribution of the sources of funds for SR&ED performed within your organization.

		Canadian (%)		Foreign (%)
Internal	600	100.000		
Parent companies, subsidiaries, and affiliated companies	602		604	
Federal grants (do not include funds or tax credits from SR&ED tax incentives)	606			
Federal contracts	608			
Provincial funding	610			
SR&ED contract work performed for other companies on their behalf	612		614	
Other funding (e.g., universities, foreign governments)	616		618	

For statistical purposes indicate whether the work you performed falls within the realm of Basic or Applied research (to advance scientific knowledge) or Experimental development (to achieve a technological advancement):

620 1 ☐ Basic or Applied research **622** 1 ☒ Experimental development

Enter the number of SR&ED personnel in full-time equivalents (FTE):

Scientists and engineers	632	1
Technologists and technicians	634	1
Managers and administrators	636	1
Other technical supporting staff	638	

Part 8 – Claim checklist

To ensure your claim is complete, make sure you have:

1. used the current version of this form . . . X
2. entered the method you have chosen for reporting your SR&ED expenditures in Section A of Part 3 . . . X
3. completed Part 2 for each project . . . X
4. filed a completed Schedule T2SCH31 or Form T2038(IND) to claim ITCs on your qualified SR&ED expenditures . . . X
5. filed a completed Form T1145*, T1146**, T1174*** and/or T1263**** including any required attachments, if applicable . . . X

To expedite the processing of your claim, make sure you have:

1. completed Form T2, Corporation Income Tax Return or Form T1, Income Tax and Benefit Return . . . X
2. filed the appropriate provincial and/or territorial tax credit forms, if applicable . . . X
3. retained documents to support the SR&ED work performed and SR&ED expenditures you claimed . . . X
4. checked boxes 231 and 232 on page 2 of your T2 return to indicate attachment of Form T661 and Schedule T2SCH31 . . . X

* Form T1145, Agreement to Allocate Assistance for SR&ED Between Persons Not Dealing at Arm's Length

** Form T1146, Agreement to Transfer Qualified Expenditures Incurred in Respect of SR&ED Contracts Between Persons Not Dealing at Arm's Length

*** Form T1174, Agreement Between Associated Corporations to Allocate Salary or Wages of Specified Employees for Scientific Research and Experimental Development (SR&ED)

**** Form T1263, Third-Party Payments for Scientific Research and Experimental Development (SR&ED)

Part 9 – Claim preparer information

Information requested in this part must be provided for each claim preparer that has accepted consideration to prepare or assist in the preparation of this SR&ED claim. Certification is required on lines 935, 970, and 975.

A $1,000 penalty may be assessed if the information requested below about the claim preparer(s) and billing arrangement(s), is missing, incomplete, or inaccurate. Where a claim preparer has prepared or assisted in the preparation of this SR&ED form, the claimant and the claim preparer will be jointly and severally, or solidarily, liable for the penalty.

935 Was a claim preparer engaged in any aspect of the preparation of this SR&ED claim?

1 [X] Yes (complete the claim preparer information table and lines 970 and 975 below)

2 [ ] No (complete lines 970 and 975)

Claim preparer information table

940	945	950	955	960	965
Name of claim preparer (company or individual)	Business number	Billing arrangement code (see codes below*)	Billing rate (percentage, hourly/daily rate or flat fee)	Other billing arrangement(s) (Maximum 10 words)	Total fee paid, payable, or expected to pay
1. KPMG LLP	12236 3153 RC0001	1	25.00		5,605
				Total	5,605

*** Billing arrangement codes**

Code	Type of billing arrangement
1	Contingency fee arrangement – where the fee is based on a percentage of the investment tax credit earned
2	Hourly rate
3	Daily rate
4	Flat fee arrangement (lump sum)
5	Other arrangements – describe the arrangement in box 960 in 10 words or less

970 I, Glen McAllister, certify that the information provided in this part is complete
Name of authorized signing officer of the corporation, or individual (print)
and accurate.

Signature

975 2022-11-04
Year Month Day

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

Part 10 – Certification

I certify that I have examined the information provided on this form and on the attachments and it is true, correct, and complete.

165 Glen McAllister
Name of authorized signing officer of the corporation, or individual

Signature

170 2022-11-04
Date

175 KPMG LLP
Name of person/firm who completed this form

Privacy Notice

Personal information is collected pursuant to subsections 37(1), 37(11), and 162(5.1) of the Income Tax Act (the Act) and is used for verification of compliance, administration and enforcement of the Scientific Research and Experimental Development (SR&ED) program requirements.

Information may also be used for the administration and enforcement of other provisions of the Act, including assessment, audit, enforcement, collections, and appeals, and may be disclosed under information-sharing agreements in accordance with the Act. Incomplete or inaccurate information may result in assessment of monetary penalties and delays in processing SR&ED claims.

The social insurance number is collected pursuant to section 237 of the Act and is used for identification purposes.

Information is described in personal information bank CRA PPU 441 "Scientific Research and Experimental Development" in the Canada Revenue Agency (CRA) chapter of *Info Source*. Personal information is protected under the Privacy Act, and individuals have a right of access to, correction, and protection of their personal information. Further details regarding requests for personal information at the CRA and our Info Source chapter can be found at **canada.ca/cra-info-source**.

Part 2 – Project information (continued)

Project number **1**

CRA internal form identifier 060
Code 1901

Complete a separate Part 2 for each project claimed this year.

Section A – Project identification

200 Project title (and identification code if applicable)

2019-01 Smart Devices for Grid Management

202 Project start date	**204** Completion or expected completion date	**206** Field of science or technology code (See guide for list of codes)
2017-10 (Year Month)	2022-03 (Year Month)	2.02.01 Electrical and electronic engineering

Project claim history

208 1 [X] Continuation of a previously claimed project **210** 1 [ ] First claim for the project

218 Was any of the work done jointly or in collaboration with other businesses? . . . . [ ] Yes [X] No

If you answered **yes** to line 218, complete lines 220 and 221.

220 Names of the businesses	**221** BN
1	
2	
3	

Section B – Project descriptions

242 What scientific or technological uncertainties did you attempt to overcome? (*Maximum 50 lines*)

InnPower Inc. ("InnPower" or "the company") operates ten distribution stations, each with an incoming voltage of 44,000 volts. There are 1,000 kilometers of power lines under the company's jurisdiction, covering a 292 square kilometer service area within the Town of Innisfil and South Barrie. In seeking to advance technologies required to achieve smart grid capabilities, the following technological uncertainties were needed to be addressed.
With an objective of overcoming the challenges imposed by the legacy GIS platform, InnPower sought to integrate the existing GIS platform with ESRI's geometric utility network model (UNM). InnPower's initial investigations were focused on how to seamlessly integrate ESRI's UNM with various subsystems such as the Outage Management System (OMS)and SCADA. This integration was necessary to identify and address faulty assets in real-time to reduce outages. However, a significant challenge that was encountered during the integration process was due to incompatible and historical GIS symbologies, attribute data and digital asset configuration within the network, which prohibited the tracking and identification of faulty asset connectivity within the distribution system.
In FY20, field analyses were performed to identify the attributes of network devices such that the UNM is electrically aware of the connectivity. Furthermore, different symbols, attribute data, attribute rules and connectivity programming associated with all assets were explored to effectively map the devices in the network. In FY21, InnPower aimed to continue their field analysis to model grid assets as a function of their intrinsic properties, inter-connectivity and so on. The idea was to model these inter relationships for the purpose of software-driven geospatial analysis. However, it was unknown whether the target representation of asset relationships would be compatible with the OMS and SCADA subsystems. Systematic Investigations were necessary to address these issues.

244 What work did you perform **in the tax year** to overcome the scientific or technological uncertainties described in line 242? (Summarize the systematic investigation or search) (*Maximum 100 lines*)

In FY21, InnPower sought to build data analytics into their existing GIS for the purpose of simulating real-world scenarios and tracking faulty assets in real-time. In the quest to model the interrelationships across grid assets

244 What work did you perform **in the tax year** to overcome the scientific or technological uncertainties described in line 242? (Summarize the systematic investigation or search) (*Maximum 100 lines*)

(i.e., transformers, feeders, etc.), InnPower first sought to augment their GIS data using a combination of field experiments and predictive analysis. Specifically, InnPower used backfill operations and best estimate modelling to address data gaps where asset data, particularly feeder-by-feeder inter-connections, were unavailable. Additionally, InnPower developed an algorithm to automatically upgrade conductors in the service category, and to assign an asset ID to each conductor. As part of the development of the algorithm, feeder by feeder tests were carried out to prove the validity of the data model (virtual world) with respect to the real world. Subsequently, InnPower sought extend their GIS with advanced analytics for simulating different grid fault scenarios and identifying the downstream customers that would be affected by a change or a fault in an asset. Additional developments were done to ensure that users are only allowed to connect assets if these connections are electrically feasible. For example, the new GIS would not allow connecting a high-voltage line to a low-voltage line, without a transformer in between.

While integrating and testing the GIS smart capabilities with Outage Management (OMS) and SCADA systems, data compatibility issues arose. Specifically, the data representations of asset associations and containments in the GIS could not be consumed by the SCADA and OMS systems. The issue will be investigated in the next FY.

246 What scientific or technological advancements did you achieve or attempt to achieve as a result of the work described in line 244? (*Maximum 50 lines*)

The work performed by InnPower in FY21 represents a technological advancement in the field of Electrical and Electronic Engineering. InnPower devised a process to upgrade their legacy GIS, and to facilitate its integration with other sub-systems in the smart grid. InnPower learned how to develop automated analysis to augment the missing asset data. The augmented data was successfully validated, feeder by feeder, to ensure it is a true representation of the real-world assets. Next, analysis capabilities were developed and verified to ensure their compatibility with the augmented data and with other integrated systems.

The process developed by InnPower can be reused in the future to represent more assets that are currently not modelled in InnPower's smart grid (e.g., charging stations of electric vehicles).

Section C – Additional project information

Who prepared the responses for Section B?

253 1 [X] Employee directly involved in the project	**254** Name: Mike Bickers	
255 1 [ ] Other employee of the company	**256** Name:	
257 1 [X] External consultant	**258** Name: KPMG LLP	**259** Firm: KPMG LLP

List the key individuals directly involved in the project and indicate their qualifications/experience.

	260 Names	**261** Qualifications/experience and position title
1	Arthur Berdichevsky	P.Eng. MBA, 17+ Years of Engineering Experience, Chief Operating Officer
2	Morteza Mirkeshmiri	P.ENG., 10+ Years of Engineering Experience, Manager
3	Mike Bickers	GIS and AutoCAD Technician

265 Are you claiming any salary or wages for SR&ED performed outside Canada? . . . . [ ] Yes [X] No

266 Are you claiming expenditures for SR&ED carried out on behalf of another party? . . . . [ ] Yes [X] No

267 Are you claiming expenditures for SR&ED performed by people other than your employees? . . . . [X] Yes [ ] No

If you answered **yes** to line 267, complete lines 268 and 269.

268	Names of individuals or companies	269 BN
1	Planview Utility Services	84171 1906 RT0001
2	ESRI Canada	89521 0979 RT0001
3	Survalent	13119 7386 RT0001

What evidence do you have to support your claim? (Check any that apply)
You do not need to submit these items with the claim. However, you are required to retain them in the event of a review.

270	1 [ ]	Project planning documents	276	1 [ ]	Progress reports, minutes of project meetings
271	1 [X]	Records of resources allocated to the project, time sheets	277	1 [X]	Test protocols, test data, analysis of test results, conclusions
272	1 [X]	Design of experiments	278	1 [ ]	Photographs and videos
273	1 [ ]	Project records, laboratory notebooks	279	1 [ ]	Samples, prototypes, scrap or other artefacts
274	1 [ ]	Design, system architecture and source code	280	1 [X]	Contracts
275	1 [ ]	Records of trial runs	281	1 [ ]	Others, specify 282

Appendix 6-2-1 (F) 2022 Tax Return

KPMG LLP
120 Victoria Street South
Suite 600
Kitchener ON N2G 0E1
Canada
Telephone (519) 747-8800
Fax (519) 747-8811

PRIVATE AND CONFIDENTIAL

Mr. Glen McAllister
CFO
InnPower Corporation
7251 Yonge Street
Innisfil ON L9S 0J3

June 15, 2023

Dear Mr. McAllister:

Subject: InnPower Corporation - Corporate Income Tax Returns

We have enclosed the corporate income tax return(s) (the "Returns") of InnPower Corporation (the “Company”) for the period ended December 31, 2022.

- ☑ T2 – *Corporation Income Tax Return* - EXEMPT
- ☑ T183 - *Information Return for Corporations Filing Electronically* (Federal - to be e-filed with CRA) - EXEMPT
- ☑ T2 – *Corporations Income Tax Return* (to be filed with Ministry of Finance) - PILS
- ☑ *T661 – Scientific Research and Experimental Development (SR&ED) Expenditures Claim* – PILS
- ☑ Instalment Schedule
- ☑ Client copy for your records

We have prepared these Returns based on our understanding of and reliance upon the facts, data, materials, assumptions and other information (collectively, the ”Information”) provided to us by the Company and/or its representatives, and we have not independently investigated or verified the accuracy or completeness of such Information. We accept no responsibility or liability for any errors attributable to our reliance upon inaccurate or incomplete Information. We recommend that you carefully review the Returns in their entirety to ensure that all of the relevant Information is correctly and completely disclosed.

When you are satisfied that the Returns are in order they must be filed (electronically or in paper format) with the respective taxing authorities by the due date (as set out in the following instructions) if late filing penalties are to be avoided or minimized, or if losses are carried back to a prior taxation year. One copy of each Return should be retained for your records (the "Client Copy") and the remaining copies should be completed by an authorized signing officer of the Company and filed as described below.

We would like to remind you that tax-deductible inter-corporate dividends that are received subsequent to April 20, 2015 and that are otherwise tax-free under Part I of the Income Tax Act may be re-characterized, under an expanded anti-avoidance rule in subsection 55(2) of the Income Tax Act, as capital gains that are subject to tax if, in general terms, there is insufficient safe income on hand.

You have advised us that either there is sufficient safe income on hand to support the position that the anti-avoidance rule does not apply to the inter-corporate dividends reported in the Returns, or that the anti-avoidance rule does not apply to the inter-corporate dividends reported in the Returns and that safe income on hand is not required to support the position that the anti-avoidance rule does not apply. If you wish to engage KPMG to prepare a safe income on hand calculation, please contact us and we would be pleased to discuss this with you.

FOREIGN PROPERTY

The information return, which reports the Company's specified foreign property, is Form T1135 - *Foreign Income Verification Statement*. Form T1135 should be completed if at any time during 2022 the total cost of all specified foreign property the Company owned or held a beneficial interest in was more than Cdn$100,000.

According to the information you have provided to us, the Company did not hold specified foreign property at any time in 2022 with a total cost of more than Cdn$100,000. As such, we have **not** marked an X in box 259 on page 3 of your return and **we have not completed the Form T1135**. If the information on specified foreign property is incorrect, please let us know immediately.

The Form T1135 is due by **June 30, 2023**. The implications of late filing and/or failure to properly report specified foreign property on the Form T1135 and failure to report income from a specified foreign property on your income tax return are substantial. They include significant penalties and an increase to the normal reassessment period by an additional 3 years. Further, the reassessment period extension would impact otherwise statute-barred tax years and would impact the entire income tax return, not just the foreign income and reporting sections.

DUE DATE OF RETURNS AND PAYMENTS

All returns must be filed with the respective taxing authorities by June 30, 2023 if late filing penalties are to be avoided. We recommend the returns be sent by registered mail and the mailing receipt be kept on file in order to have evidence of the date of filing.

Any balances owing must be remitted as soon as possible if interest charges are to be minimized.

T2 – T183 – INFORMATION RETURN FOR CORPORATIONS FILING ELECTRONICALLY (FEDERAL-EXEMPT)

In order for us to electronically file the Company's corporate exempt income tax return, a signed copy of Form T183CORP – *Information Return for Corporations Filing Electronically* must be returned to us. Please note that we will not electronically file the Company's corporate income tax return until we receive the signed Form T183 Corp.

The Form T183CORP – *Information Return for Corporations Filing Electronically* includes information from your Company's income tax return and all applicable schedules.

Signature

☞ Form T183CORP – *Information Return for Corporations Filing Electronically* should be completed and signed

No amount is payable for the **2022** taxation year.

Mailing

✉ One copy of the signed Form T183 Corp should be returned to KPMG by fax at (519) 747-8811, as soon as possible, no later than June 30, 2023, in order to have the Company's Return filed on or before the due date for filing. **We will not electronically file the Return until we receive a copy of the signed T183CORP**. The Form T183CORP must **not** be sent to the CRA.

T2 – ***CORPORATION INCOME TAX RETURN*** **- MINISTRY OF FINANCE**

Signature

☞ Form T2, the certification section on page 9 should be completed and signed.

Refund

A refund of $12,171 is claimed and therefore no amount is payable for the **2022** taxation year.

Mailing

✉ One copy of the Return and one copy of the Company's financial statements must be **received** by The Ministry of Finance, HYDRO PIL DIVISION, PO Box 620, 33 King Street West, Oshawa, ON, L1H 8E9 no later than **June 30, 2023.** For greater certainty, KPMG will not be mailing this Return.

NOTICES OF ASSESSMENT

If your Company receives a Notice of Assessment that does not agree with the returns prepared by us, please contact us so that we can determine whether any action should be taken. The Company has only 90 days (180 days in the case of Ontario) from the date of mailing of the Assessment in which to object. Failure to respond within the prescribed time limit will cause the Company to lose its right to object to the Assessment.

SUMMARY OF SCIENTIFIC RESEARCH & EXPERIMENTAL DEVELOPMENT ("SR&ED") CLAIM

We have prepared the SR&ED claim based on our understanding of the information provided to us by the Company and we recommend that you review the claim to ensure that all of the relevant facts are properly disclosed.

The nature of our service is to assist the Company in filing claims for SR&ED investment tax credits. We cannot guarantee CRA will accept the Company's research and development activities as qualifying SR&ED activities or that CRA will approve all the Company's research and development expenditures as qualifying SR&ED expenditures. However, the SR&ED claim was prepared based on our professional judgment that the identified activities constitute qualifying SR&ED and all of the appropriate expenditures relating to those activities have been identified. Much of the success of the submission will depend on the integrity and validity of the data collected.

To mitigate the risk of penalties, Part 9 (Claim preparer information) of Form T661 *Scientific Research and Experimental Development (SR&ED) Expenditures Claim* must be fully completed (except where the Company has chosen to separately file under CRA's administrative measure). If any of the prescribed claim preparer information is missing, incomplete, or inaccurate, a penalty of $1,000 may be assessed and the processing of your SR&ED claim may be delayed.

GENERAL RATE INCOME POOL ("GRIP")

Shareholders receiving eligible dividends as compared to non-eligible dividends, are subject to a reduced rate of income tax. Eligible dividends are paid out of the Company's GRIP balance, which at December 31, 2022 is estimated to be $2,439,055. The supporting calculation is summarized in Schedule 53 of the federal corporate tax return.

In addition, designation of eligible dividends is required, with each shareholder recipient being formally notified in writing at time of payment.

The Company did not designate the payment of an eligible dividend for the current taxation year.

INSTALMENTS

We have prepared and enclose an estimate of tax instalments as applicable for the Company for the taxation year ending on December 31, 2023. The amounts were computed with reference to the Company's taxable income and taxes payable for prior years.

If during the year it is evident that the taxable income or taxable capital for the current year will be substantially less than for the previous taxation year, your instalments may be recalculated. Overpaid instalments may, in certain circumstances, be transferred to other accounts or applied to other liabilities such as payroll withholdings. Please call your KPMG advisor in order that we may determine what course of action should be taken.

In order to avoid interest charges, the tax authorities must receive the instalment payments no later than the date indicated on the attached schedule.

If you have any questions concerning these returns, or if we may be of any further assistance, please feel free to contact us.

Yours truly,

Tony Italiano
Partner

Enclosure

Canada Revenue Agency | Agence du revenu du Canada

Code 1901

Scientific Research and Experimental Development (SR&ED) Expenditures Claim

Use this form:
- to provide technical information on your SR&ED projects;
- to calculate your SR&ED expenditures; and
- to calculate your qualified SR&ED expenditures for investment tax credits (ITC).

To claim an ITC, use either:
- Schedule T2SCH31, Investment Tax Credit – Corporations; or
- Form T2038(IND), Investment Tax Credit (Individuals).

The information requested in this form and documents supporting your expenditures and project information (Part 2) are prescribed information.

In Part 6, a new box is added: Box 758 that must be filled if traditional method is used. The information is required for tax year ends after 2020 and optional for tax year ends before 2021.

Your SR&ED claim must be filed within 12 months of the filing due date of your income tax return.

To help you fill out this form, use the T4088, Guide to Form T661, which is available on our website: **canada.ca/taxes-sred**.

Part 1 – General information

010 Name of claimant: InnPower Corporation

Enter one of the following:

89242 2817 RC0001
Business number (BN)

Social insurance number (SIN)

Tax year
From 2022-01-01 (Year Month Day) to 2022-12-31 (Year Month Day)

050 Total number of projects you are claiming this tax year: 1

100 Contact person for the financial information Lisa McCaskie	**105** Telephone number/extension (705) 431-6870	**110** Fax number
115 Contact person for the technical information Arthur Berdichevsky	**120** Telephone number/extension (705) 431-6870	**125** Fax number

151 If this claim is filed for a partnership, was Form T5013 Partnership Information Return filed? . . . . ☐ Yes ☐ No

If you answered **no** to line 151, complete lines 153, 156 and 157.

153 Names of the partners	**156** %	**157** BN or SIN
1		
2		
3		
4		
5		

Part 2 - Project information

CRA internal form identifier 060
Code 1901

Complete a separate Part 2 for each project claimed this year.

Section A - Project identification

200 Project title (and identification code if applicable)

See schedule

T661 E (20)

Part 3 – Calculation of SR&ED expenditures

What did you spend on your SR&ED projects?

Section A – Select the method to calculate the SR&ED expenditures

I elect (choose) to use the following method to calculate my SR&ED expenditures and related investment tax credits (ITC) for this tax year.
I understand that my election is irrevocable (cannot be changed) for this tax year.

160 [X] I elect to use the proxy method
(Enter "0" on line 360 and complete Part 5.)

162 [ ] I choose to use the traditional method
(Enter "0" on line 502. Complete line 360.)

Section B – Calculation of allowable SR&ED expenditures (to the nearest dollar)

	Line		Amount
• SR&ED portion of salary or wages of employees directly engaged in the SR&ED:			
a) Employees other than specified employees for work performed in Canada	300	+	36,904
b) Specified employees for work performed in Canada	305	+	
Subtotal (add lines 300 and 305)	306	=	36,904
c) Employees other than specified employees for work performed outside Canada (subject to limitations – see guide)	307	+	
d) Specified employees for work performed outside Canada (subject to limitations – see guide)	309	+	
• Salary or wages identified on line 315 in prior years that were paid in this tax year	310	+	
• Salary or wages incurred in the year but not paid within 180 days of the tax year end	315		
• Cost of materials consumed in performing SR&ED	320	+	
• Cost of materials transformed in performing SR&ED	325	+	
• Contract expenditures for SR&ED performed on your behalf:			
a) Arm's length contracts	340	+	46,119
b) Non-arm's length contracts	345	+	
• Overhead and other expenditures (enter "0" if you elected to use the proxy method at line 160)	360	+	
• Third-party payments (complete Form T1263*)	370	+	
Total allowable SR&ED expenditures (add lines 306 to 370; do not add line 315)	380	=	83,023

If the above expenditures have been included in your income statement, enter this amount on line 118 of Schedule T2SCH1 or, if you are an individual, include this amount in your self-employment income (lines 135 to 143) reported on your individual income tax and benefit return.

Section C – Calculation of pool of deductible SR&ED expenditures (to the nearest dollar)

	Line		Amount
Amount from line 380	420		83,023
Deduct			
• provincial government assistance for expenditures included on line 380	429	–	2,583
• other government assistance for expenditures included on line 380	431	–	
• non-government assistance for expenditures included on line 380	432	–	
• SR&ED ITCs applied and/or refunded in the prior year (do not include ITCs allocated from a partnership)	435	–	18,054
• sale of SR&ED capital assets and other deductions	440	–	
Subtotal (line 420 minus lines 429 to 440)	442	=	62,386
Add			
• repayments of government and non-government assistance that previously reduced the SR&ED expenditure pool	445	+	
• prior year's pool balance of deductible SR&ED expenditures (from line 470 of prior year T661)	450	+	
• SR&ED expenditure pool transfer from amalgamation or wind-up	452	+	
• amount of SR&ED ITC recaptured in the prior year	453	+	
Amount available for deduction (add lines 442 to 453) (enter positive amount only, include negative amount in income)	455	=	62,386
• Deduction claimed in the year (Corporations should enter this amount on line 411 of schedule T2SCH1)	460	–	62,386
Pool balance of deductible SR&ED expenditures to be carried forward to future years (line 455 minus 460)	470	=	

* Form T1263, Third-Party Payments for Scientific Research and Experimental Development (SR&ED)

Part 4 – Calculation of qualified SR&ED expenditures for investment tax credit (ITC) purposes (to the nearest dollar)

The resulting amount is used to calculate your refundable and/or non refundable ITC.

	Line		Amount
Total allowable SR&ED expenditures (from line 380)	492		83,023
Add			
• payment of prior years' unpaid amounts (other than salary or wages) (see note 1)	500	+	
• prescribed proxy amount (complete Part 5) (Enter "0" if you use the traditional method)	502	+	20,214
• qualified expenditures transferred to you (see note 3) (complete Form T1146**)	508	+	
Subtotal (add lines 492 to 508)	511	=	103,237
Deduct			
• provincial government assistance	513	–	3,290
• other government assistance	515	–	
• non-government assistance and contract payments	517	–	
• current expenditures (other than salary or wages) not paid within 180 days of the tax year end (see **note 1**)	520	–	
• 80% of the amounts paid in respect of an SR&ED contract to a person or partnership that is not a taxable supplier	528	–	
• 20% of the amount on lines 340 and 370	529	–	9,224
• prescribed expenditures not allowed by regulations (see guide)	530	–	
• other deductions (see guide)	533	–	
• non-arm's length transactions			
– assistance allocated to you (complete Form T1145*)	538	–	
– expenditures for non-arm's length SR&ED contracts (from line 345)	541	–	
– adjustments to purchases (limited to costs) of goods and services from non-arm's length suppliers (see guide)	542	–	
– qualified expenditures you transferred (complete Form T1146**)	544	–	
Qualified SR&ED expenditures (line 511 minus lines 513 to 544)	559	=	90,723
Add			
• repayments of assistance and contract payments made in the year	560	+	
Total qualified SR&ED expenditures for ITC purposes (add lines 559 and 560)	570	=	90,723

* Form T1145, Agreement to Allocate Assistance for SR&ED Between Persons Not Dealing at Arm's Length

** Form T1146, Agreement to Transfer Qualified Expenditures Incurred in Respect of SR&ED Contracts Between Persons Not Dealing at Arm's Length

Note 1 – For arm’s length contracts, only include 80% of the contract amount.

Part 5 – Calculation of prescribed proxy amount (PPA)

A notional amount representing your overhead and other expenditures.

This part calculates the PPA to enter on line 502 in Part 4. Do not complete this part if you have chosen to use the traditional method in Part 3 (line 162). You can only claim a PPA if you elected to use the proxy method for the year in Part 3 (line 160).

Special rules apply for specified employees. Calculate your salary base in Section A and the PPA in Section B.

Section A – Salary base

Salary or wages of employees other than specified employees (from lines 300 and 307)	810	+	36,904
Deduct			
Bonuses, remuneration based on profits, and taxable benefits that were included on line 810	812	–	151
Subtotal (line 810 minus 812)	814	=	36,753

Salary or wages of specified employees

850	852	854	856	858	860
Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Name of specified employee	Total salary or wages for the year (SR&ED and non-SR&ED) excluding bonuses, remuneration based on profits, and taxable benefits (to the nearest dollar)	% of time spent on SR&ED (maximum 75%)	Amount in column 2 multiplied by percentage in column 3	2,5 x A x B/365 A = Year's maximum pensionable earnings B = Number of days employed in tax year	Amount in column 4 or 5, whichever amount is less

(Enter total of column 6 on line 816) 816 +

Salary base (total of lines 814 and 816)	818	=	36,753

Section B – Prescribed proxy amount (PPA)

Enter 55 % of the salary base (line 818)	820	=	20,214

Enter the amount from line 820 on to line 502 in Part 4 unless the overall cap on PPA applies to you. (See the guide for explanation and example of the overall cap on PPA)

Part 6 – Project costs

Information requested in this part must be provided for **all** SR&ED projects claimed in the year.
Expenditures should be recorded and allocated on a project basis.

* For Box 758, the information is required for tax year ends after 2020 and optional for tax year ends before 2021.

750	752	754	756	758
Project title or identification code	Salary or wages in the tax year (Total of lines 306 to 309)	Cost of materials in the tax year (Total of lines 320 and 325)	Contract expenditures for SR&ED performed on your behalf in the tax year (Total of lines 340 and 345)	Overhead and other expenditures in the tax year* (total of line 360, if applicable)
1 2019-01 Smart devices for Grid Management	36,904		46,119	
Total	36,904		46,119	

Part 7 – Additional information

Expenditures for SR&ED performed by you in Canada (line 380 minus lines 307, 309, 340, 345, and 370) **605** 36,904

From the total you entered on line 605, estimate the percentage of distribution of the sources of funds for SR&ED performed within your organization.

		Canadian (%)		Foreign (%)
Internal	600	100.000		
Parent companies, subsidiaries, and affiliated companies	602		604	
Federal grants (do not include funds or tax credits from SR&ED tax incentives)	606			
Federal contracts	608			
Provincial funding	610			
SR&ED contract work performed for other companies on their behalf	612		614	
Other funding (e.g., universities, foreign governments)	616		618	

For statistical purposes indicate whether the work you performed falls within the realm of Basic or Applied research (to advance scientific knowledge) or Experimental development (to achieve a technological advancement):

620 [ ] Basic or Applied research **622** [X] Experimental development

Enter the number of SR&ED personnel in full-time equivalents (FTE):

Scientists and engineers	632	1
Technologists and technicians	634	1
Managers and administrators	636	
Other technical supporting staff	638	

Part 8 – Claim checklist

To ensure your claim is complete, make sure you have:

1. used the current version of this form [X]
2. entered the method you have chosen for reporting your SR&ED expenditures in Section A of Part 3 [X]
3. completed Part 2 for each project [X]
4. filed a completed Schedule T2SCH31 or Form T2038(IND) to claim ITCs on your qualified SR&ED expenditures [X]
5. filed a completed Form T1145*, T1146**, T1174*** and/or T1263**** including any required attachments, if applicable [X]

To expedite the processing of your claim, make sure you have:

1. completed Form T2, Corporation Income Tax Return or Form T1, Income Tax and Benefit Return [X]
2. filed the appropriate provincial and/or territorial tax credit forms, if applicable [X]
3. retained documents to support the SR&ED work performed and SR&ED expenditures you claimed [X]
4. checked boxes 231 and 232 on page 2 of your T2 return to indicate attachment of Form T661 and Schedule T2SCH31 [X]

* Form T1145, Agreement to Allocate Assistance for SR&ED Between Persons Not Dealing at Arm's Length

** Form T1146, Agreement to Transfer Qualified Expenditures Incurred in Respect of SR&ED Contracts Between Persons Not Dealing at Arm's Length

*** Form T1174, Agreement Between Associated Corporations to Allocate Salary or Wages of Specified Employees for Scientific Research and Experimental Development (SR&ED)

**** Form T1263, Third-Party Payments for Scientific Research and Experimental Development (SR&ED)

Part 9 – Claim preparer information

Information requested in this part must be provided for each claim preparer that has accepted consideration to prepare or assist in the preparation of this SR&ED claim. Certification is required on lines 935, 970, and 975.

A $1,000 penalty may be assessed if the information requested below about the claim preparer(s) and billing arrangement(s), is missing, incomplete, or inaccurate. Where a claim preparer has prepared or assisted in the preparation of this SR&ED form, the claimant and the claim preparer will be jointly and severally, or solidarily, liable for the penalty.

935 **Was a claim preparer engaged in any aspect of the preparation of this SR&ED claim?**

[X] Yes (complete the claim preparer information table and lines 970 and 975 below)

[ ] No (complete lines 970 and 975)

Claim preparer information table

940	945	950	955	960	965
Name of claim preparer (company or individual)	Business number	Billing arrangement code (see codes below*)	Billing rate (percentage, hourly/daily rate or flat fee)	Other billing arrangement(s) (Maximum 10 words)	Total fee paid, payable, or expected to pay
1. KPMG LLP	12236 3153 RC0001	1	25.00		5,000
				Total	5,000

*** Billing arrangement codes**

Code	Type of billing arrangement
1	Contingency fee arrangement – where the fee is based on a percentage of the investment tax credit earned
2	Hourly rate
3	Daily rate
4	Flat fee arrangement (lump sum)
5	Other arrangements – describe the arrangement in box 960 in 10 words or less

970 I, Glen McAllister, certify that the information provided in this part is complete and accurate.
Name of authorized signing officer of the corporation, or individual (print)

Signature

975 2023-06-15
Year Month Day

Part 10 – Certification

I certify that I have examined the information provided on this form and on the attachments and it is true, correct, and complete.

165 Glen McAllister		**170** 2023-06-15
Name of authorized signing officer of the corporation, or individual	Signature	Date
175 KPMG LLP		
Name of person/firm who completed this form		

Privacy Notice

Personal information is collected pursuant to subsections 37(1), 37(11), and 162(5.1) of the Income Tax Act (the Act) and is used for verification of compliance, administration and enforcement of the Scientific Research and Experimental Development (SR&ED) program requirements.

Information may also be used for the administration and enforcement of other provisions of the Act, including assessment, audit, enforcement, collections, and appeals, and may be disclosed under information-sharing agreements in accordance with the Act. Incomplete or inaccurate information may result in assessment of monetary penalties and delays in processing SR&ED claims.

The social insurance number is collected pursuant to section 237 of the Act and is used for identification purposes.

Refer to Personal Information Bank CRA PPU 441 in the Canada Revenue Agency (CRA) Information about Programs and Information Holdings – Personal Information Banks – Canada.ca. Under the Privacy Act, individuals have a right of access to, protection, and correction of their personal information and to file a complaint with the Privacy Commissioner of Canada regarding our handling of their personal information.

Part 2 – Project information (continued)

Project number **1**

Complete a separate Part 2 for each project claimed this year.

CRA internal form identifier 060
Code 1901

Section A – Project identification

200 Project title (and identification code if applicable)

2019-01 Smart devices for Grid Management

202 Project start date	**204** Completion or expected completion date	**206** Field of science or technology code (See guide for list of codes)
2020-10 (Year Month)	2023-03 (Year Month)	1.02.02 Information technology and bioinformatics (Software

Project claim history

208 X Continuation of a previously claimed project **210** ☐ First claim for the project

218 Was any of the work done jointly or in collaboration with other businesses? . . . . ☐ Yes X No

If you answered **yes** to line 218, complete lines 220 and 221.

220 Names of the businesses	**221** BN
1	
2	
3	

Section B – Project descriptions

242 What scientific or technological uncertainties did you attempt to overcome? (*Maximum 50 lines*)

InnPower Inc. ("InnPower" or "the company") operates ten distribution stations, each with an incoming voltage of 44,000 volts. There are 1,000 kilometers of power lines under the company's jurisdiction, covering a 292 square kilometer service area within the Town of Innisfil and South Barrie. In seeking to advance technologies required to achieve smart grid capabilities, the following technological uncertainties were needed to be addressed.

InnPower's efforts in FY22 were continued to successfully integrate the existing GIS platform with ESRI's geometric utility network model (UNM). This integration was necessary to identify and address faulty assets in real-time to reduce outages. Given that a connectivity model is not readily available, InnPower sought to develop methods to improve Survalent's GIS Wizard tool to accept Utility Network data from InnPower's new GIS Database. It was uncertain whether the new GIS Wizard could successfully accept data from InnPower's UN-GIS platform that had included associations between features (such as connectivity between two points via asset modeling and attribute rules rather than a line feature drawn between the two points). These associations would allow InnPower to place assets in containments. Containment associations enable modeling a dense collection of features in a network while also controlling map clutter.

As initial investigations were carried out, InnPower realized that Survalent's existing GIS Wizard tool was not capable of accepting data connected via associations or assets placed in containment. In addition, work was also necessary to ensure that all existing devices with telemetry did not lose any of their critical setups. This was sought to be achieved by enabling the switching devices to undergo a remodeling process within the GIS UN to add key attribute data that would drive asset functionality within the GIS Wizard, and ultimately the SCADA/OMS. Systematic investigations were necessary to determine if this will be successful.

244 What work did you perform **in the tax year** to overcome the scientific or technological uncertainties described in line 242? (Summarize the systematic investigation or search) (*Maximum 100 lines*)

In FY22, InnPower continued to build data analytics into their existing GIS for the purpose of simulating real-world scenarios and tracking faulty assets

244 What work did you perform **in the tax year** to overcome the scientific or technological uncertainties described in line 242? (Summarize the systematic investigation or search) (*Maximum 100 lines*)

in real-time. To achieve this objective, InnPower sought to develop techniques to reconfigure its computer network/ virtual environment to house the modified GIS Wizard tool to meet the required specifications. A complete and comprehensive review of all electrical devices were performed to ensure each feature contained the necessary attributes needed to function as intended within SCADA/OMS. During the review, InnPower observed that several key features (Overhead switches, pad mounted switches, busbars, electrical conductors) were missing key attribute data that would drive connectivity within the GIS Wizard. To address this issue, the missing data was collected from various sources (As-built drawings, inspection records, Field checks) to populate the missing data. This included information such as: Switches Ganged operated, electrical conductor connected with valid or invalid loops, missing or inconsistent phase and voltage information and missing meters from the GIS. As tests were carried out to ensure the key data was not missing, InnPower noted that the phase and voltage information to busbars at pad mounted transformers was still missing as this information is typically stored in the transformer feature. To overcome this issue, python scripts were developed to search for the Phase and Voltage of the transformers connected to the targeted busbar, and to auto populate the data to the busbars.

With all the improvements that were implemented to the GIS palatiform, InnPower has significantly improved the data import and export times. Prior to the implementation of the GIS wizard tool, a 60-minute processing time was necessary to export and import the GIS data using "Multispeak" protocol. With GIS Wizard, the time was reduced from 60 minutes to 15 minutes. In addition, with the implementation of the project development server, more accurate data transfers between the GIS UN and SCADA/OMS were achieved.

246 What scientific or technological advancements did you achieve or attempt to achieve as a result of the work described in line 244? (*Maximum 50 lines*)

The work performed by InnPower in FY22 represents a technological advancement in the field of Electrical and Electronic Engineering. Through the experiments that were carried out in FY22, InnPower advanced the understanding on:

- How the data in the GIS, and the attributes it contains impact the usefulness of its SCADA and OMS.
- How to develop methods to successfully implement a project management server to review, track and test the GIS data without overriding the production server. This was critical to maintaining the integrity of the SCADA and OMS systems.
- How to include the resources available in the virtual environment to improve the server performance.

Section C – Additional project information

Who prepared the responses for Section B?

253 [X] Employee directly involved in the project	254 Name: Mike Bickers		
255 [ ] Other employee of the company	256 Name:		
257 [X] External consultant	258 Name: KPMG LLP	259 Firm: KPMG LLP	

List the key individuals directly involved in the project and indicate their qualifications/experience.

	260 Names	261 Qualifications/experience and position title
1	Arthur Berdichevsky	P.Eng. MBA, 17+ Years of Engineering Experience, Chief Operating Officer
2	Morteza Mirkeshmiri	P.ENG., 10+ Years of Engineering Experience, Manager
3	Mike Bickers	GIS and AutoCAD Technician, over 10 years of GIS development experience

		Yes	No
265	Are you claiming any salary or wages for SR&ED performed outside Canada?	[ ]	[X]
266	Are you claiming expenditures for SR&ED carried out on behalf of another party?	[ ]	[X]
267	Are you claiming expenditures for SR&ED performed by people other than your employees?	[X]	[ ]

If you answered **yes** to line 267, complete lines 268 and 269.

	268 Names of individuals or companies	269 BN
1	Survalent	13119 7386 RT0001

What evidence do you have to support your claim? (Check any that apply)
You do not need to submit these items with the claim. However, you are required to retain them in the event of a review.

270	[X] Project planning documents	276	[X] Progress reports, minutes of project meetings
271	[X] Records of resources allocated to the project, time sheets	277	[X] Test protocols, test data, analysis of test results, conclusions
272	[X] Design of experiments	278	[ ] Photographs and videos
273	[X] Project records, laboratory notebooks	279	[ ] Samples, prototypes, scrap or other artefacts
274	[ ] Design, system architecture and source code	280	[X] Contracts
275	[ ] Records of trial runs	281	[ ] Others, specify 282

Federal Tax Instalments

Federal tax instalments

For the taxation year ended 2023-12-31

Business number 89242 2817 RC0001

The following is a list of instalments payable for the current taxation year, and the last column indicates the instalments payable to the Canada Revenue Agency (CRA). The instalments must be paid on each of the dates indicated below, otherwise non-deductible interest might be charged.

You can pay using one of the methods listed at **canada.ca/payments**. However, when a remittance must mandatorily be made using electronic means, use one of the following electronic payment methods:

- a Canadian financial institution's services;
- the CRA's *My Payment* service, at **canada.ca/cra-my-payment**;
- a pre-authorized debit agreement set up in the CRA's *My Business Account* service, at **canada.ca/my-cra-business-account**;
- a wire transfer.

Do you want to calculate the tax instalments according to the extended payment date (COVID-19)?* ☐ Yes ☒ No

* The answer to this question is **Yes** when at least one of the dates entered in the **Monthly instalment workchart** or the **Quarterly instalment workchart** sections is after March 17, 2020, and before September 30, 2020.

Monthly instalment workchart

Date	Monthly tax instalments	Refund transferred to instalments	Instalments paid	Cumulative difference	Instalments payable
2023-01-31	13,725				13,725
2023-02-28	13,725				13,725
2023-03-31	13,725				13,725
2023-04-30	13,725				13,725
2023-05-31	13,725				13,725
2023-06-30	13,725				13,725
2023-07-31	13,725				13,725
2023-08-31	13,725				13,725
2023-09-30	13,725				13,725
2023-10-31	13,725				13,725
2023-11-30	13,725				13,725
2023-12-31	13,717				13,717
Instalment (COVID-19)					
Totals	164,692				164,692

Canada Revenue Agency / Agence du revenu du Canada

T2 Corporation Income Tax Return

200

055 **Do not use this area**

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

All legislative references on this return are to the federal Income Tax Act and Income Tax Regulations. This return may contain changes that had not yet become law at the time of publication.

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

For more information see **canada.ca/taxes** or Guide T4012, T2 Corporation – Income Tax Guide.

Identification

Business number (BN) 001 89242 2817 RC0001

Corporation's name
002 InnPower Corporation

Address of head office
Has this address changed since the last time the CRA was notified? . . . . 010 Yes [ ] No [X]
If **yes**, complete lines 011 to 018.
011 7251 Yonge Street
012
City: 015 Innisfil
Province, territory, or state: 016 ON
Country (other than Canada): 017
Postal or ZIP code: 018 L9S 0J3

Mailing address (if different from head office address)
Has this address changed since the last time the CRA was notified? . . . . 020 Yes [ ] No [X]
If **yes**, complete lines 021 to 028.
021 c/o
022 7251 Yonge Street
023
City: 025 Innisfil
Province, territory, or state: 026 ON
Country (other than Canada): 027
Postal or ZIP code: 028 L9S 0J3

Location of books and records (if different from head office address)
Has this address changed since the last time the CRA was notified? . . . . 030 Yes [ ] No [X]
If **yes**, complete lines 031 to 038.
031 7251 Yonge Street
032
City: 035 Innisfil
Province, territory, or state: 036 ON
Country (other than Canada): 037
Postal or ZIP code: 038 L9S 0J3

040 **Type of corporation at the end of the tax year** (tick one)
- [X] 1 Canadian-controlled private corporation (CCPC)
- [ ] 2 Other private corporation
- [ ] 3 Public corporation
- [ ] 4 Corporation controlled by a public corporation
- [ ] 5 Other corporation (specify)

If the type of corporation changed during the tax year, provide the effective date of the change . . . . 043 Year Month Day

To which tax year does this return apply?
Tax year start: 060 Year Month Day 2022-01-01
Tax year-end: 061 Year Month Day 2022-12-31

Has there been an acquisition of control resulting in the application of subsection 249(4) since the tax year start on line 060? . . . . 063 Yes [ ] No [X]
If **yes**, provide the date control was acquired . . . . 065 Year Month Day

Is the date on line 061 a deemed tax year-end according to subsection 249(3.1)? . . . . 066 Yes [ ] No [X]

Is the corporation a professional corporation that is a member of a partnership? . . . . 067 Yes [ ] No [X]

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

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

Is this the final tax year before amalgamation? . . . . 076 Yes [ ] No [X]

Is this the final return up to dissolution? . . . . 078 Yes [ ] No [X]

If an election was made under section 261, state the functional currency used 079

Is the corporation a resident of Canada? 080 Yes [X] No [ ]
If **no**, give the country of residence on line 081 and complete and attach Schedule 97.
081

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

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

Do not use this area
095 096 898

Attachments

Financial statement information: Use GIFI schedules 100, 125, and 141.
Schedules – Answer the following questions. For each **yes** response, **attach** the schedule to the T2 return, unless otherwise instructed.

		Yes	Schedule
Is the corporation related to any other corporations?	150	X	9
Is the corporation an associated CCPC?	160	X	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	161		49
Does the corporation have any non-resident shareholders who own voting shares?	151		19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
If you answered **yes** to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
Is the corporation claiming a loss or deduction from a tax shelter?	166		T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	167		T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust (without reference to section 94)?	168		22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	169		25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the Income Tax Regulations?	170		29
Did the corporation have a total amount over CAN$1 million of reportable transactions with non-arm's length non-residents?	171		T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172		———
Does the corporation earn income from one or more Internet web pages or websites?	180		88
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
Has the corporation made any charitable donations; gifts of cultural or ecological property; or gifts of medicine?	202	X	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203	X	3
Is the corporation claiming any type of losses?	204		4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205	X	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	206		6
i) Is the corporation a CCPC and reporting a) income or loss from property (other than dividends deductible on line 320 of the T2 return), b) income from a partnership, c) income from a foreign business, d) income from a personal services business, e) income referred to in clause 125(1)(a)(i)(C) or 125(1)(a)(i)(B), f) aggregate investment income as defined in subsection 129(4), or g) an amount assigned to it under subsection 125(3.2) or 125(8); or ii) Is the corporation a member of a partnership and assigning its specified partnership business limit to a designated member under subsection 125(8)?	207	X	7
Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
Does the corporation have any resource-related deductions?	212		12
Is the corporation claiming deductible reserves?	213		13
Is the corporation claiming a patronage dividend deduction?	216		16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or a provincial credit union tax reduction?	217		17
Is the corporation an investment corporation or a mutual fund corporation?	218		18
Is the corporation carrying on business in Canada as a non-resident corporation?	220		20
Is the corporation claiming any federal, provincial, or territorial foreign tax credits, or any federal logging tax credits?	221		21
Does the corporation have any Canadian manufacturing and processing profits?	227		27
Is the corporation claiming an investment tax credit?	231	X	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232	X	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over $10,000,000?	233	X	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over $10,000,000?	234	X	———
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
Is the corporation claiming a Part I tax credit?	242		42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
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		39
Is the corporation claiming a Canadian film or video production tax credit?	253		T1131
Is the corporation claiming a film or video production services tax credit?	254		T1177
Is the corporation claiming a Canadian journalism labour tax credit?	272		58
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	255		92

Attachments (continued)

		Yes	Schedule
Did the corporation have any foreign affiliates in the tax year?	271		T1134
Did the corporation own or hold specified foreign property where the total cost amount of all such property, at any time in the year, was more than CAN$100,000?	259		T1135
Did the corporation transfer or loan property to a non-resident trust?	260		T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261		T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262		T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263		T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264		T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	265	X	55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	266		T2002
Has the corporation revoked any previous election made under subsection 89(11)?	267		T2002
Did the corporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its general rate income pool (GRIP) change in the tax year?	268	X	53
Did the corporation (other than a CCPC or DIC) pay eligible dividends, or did its low rate income pool (LRIP) change in the tax year?	269		54
Is the corporation claiming a return of fuel charge proceeds to farmers tax credit?	273		63
Are you an employer reporting a non-qualified security agreement under subsection 110(1.9)?	274		59
Is the corporation claiming an air quality improvement tax credit?	275		65
Is the corporation subject to the additional 1.5% tax on banks and life insurers?	276		68

Additional information

		Yes		No	
Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	Yes	X	No	
Is the corporation inactive?	280	Yes		No	X

What is the main corporation's main revenue-generating business activity? 221122 Electric Power Distribution

Specify the principal products mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

284	Electricity distributor	285	100.000 %
286		287	%
288		289	%

		Yes		No	
Did the corporation immigrate to Canada during the tax year?	291	Yes		No	X
Did the corporation emigrate from Canada during the tax year?	292	Yes		No	X
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293	Yes		No	

If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible 294 Year Month Day

If the corporation's major business activity is construction, did you have any subcontractors during the tax year? 295 Yes ☐ No ☐

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI	300		725,539	A
Deduct:				
Charitable donations from Schedule 2	311	1,250		
Cultural gifts from Schedule 2	313			
Ecological gifts from Schedule 2	314			
Gifts of medicine made before March 22, 2017, from Schedule 2	315			
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320			
Part VI.1 tax deduction*	325			
Non-capital losses of previous tax years from Schedule 4	331			
Net capital losses of previous tax years from Schedule 4	332			
Restricted farm losses of previous tax years from Schedule 4	333			
Farm losses of previous tax years from Schedule 4	334			
Limited partnership losses of previous tax years from Schedule 4	335			
Taxable capital gains or taxable dividends allocated from a central credit union	340			
Prospector's and grubstaker's shares	350			
Employer deduction for non-qualified securities	352			
Subtotal		1,250 ▶	1,250	B
Subtotal (amount A **minus** amount B) (if negative, enter "0")			724,289	C
Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355			D
Taxable income (amount C **plus** amount D)	360		724,289	
Taxable income for the year from a personal services business				Z.1

* This amount is equal to 3.5 times the Part VI.1 tax payable at line 724 on page 9.

Small business deduction

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

Income eligible for the small business deduction from Schedule 7	400	1,989,539	A
Taxable income from line 360 on page 3, **minus** 100/28 (3.57143) of the amount on line 632* on page 8, **minus** 4 times the amount on line 636** on page 8, and **minus** any amount that, because of federal law, is exempt from Part I tax	405	724,289	B
Business limit (see notes 1 and 2 below)	410	500,000	C

Notes:

1. For CCPCs that are not associated, enter $ 500,000 on line 410. However, if the corporation's tax year is less than 51 weeks, prorate this amount by the number of days in the tax year **divided** by 365, and enter the result on line 410.
2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

Business limit reduction

Taxable capital business limit reduction for tax years starting before April 7, 2022

Amount C 500,000 x 415 *** 480,284 D / 11,250 = 21,345,956 E1

Taxable capital business limit reduction for tax years starting after April 6, 2022

Amount C 500,000 x 415 *** 480,284 D / 90,000 = ______ E2

Amount E1 or amount E2, whichever applies 21,345,956 ► 21,345,956 E3

Passive income business limit reduction

Adjusted aggregate investment income from Schedule 7 **** 417 ______ – 50,000 = ______ F

Amount C 500,000 / 100,000 x Amount F ______ = ______ G

The greater of amount E3 and amount G	422	21,345,956	H
Reduced business limit (amount C **minus** amount H) (if negative, enter "0")	426		I
Business limit the CCPC assigns under subsection 125(3.2) (from line 515 below)			J
Reduced business limit after assignment (amount I **minus** amount J)	428		K
Small business deduction – Amount A, B, C, or K, whichever is the least ______ x 19 % =	430		

Enter amount from line 430 at amount K on page 8.

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

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

*** **Large corporations**

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

**** Enter the total adjusted aggregate investment income of the corporation and all associated corporations for each tax year that ended in the preceding calendar year. Each corporation with such income has to file a Schedule 7. For a corporation's first tax year that starts after 2018, this amount is reported at line 744 of the corresponding Schedule 7. Otherwise, this amount is the total of all amounts reported at line 745 of the corresponding Schedule 7 of the corporation for each tax year that ended in the preceding calendar year.

Small business deduction (continued)

Specified corporate income and assignment under subsection 125(3.2)

	L1 Name of corporation receiving the income and assigned amount	L Business number of the corporation receiving the assigned amount 490	M Income paid under clause 125(1)(a)(i)(B) to the corporation identified in column L [3] 500	N Business limit assigned to corporation identified in column L [4] 505
1.				
			Total 510	Total 515

Notes:

3. This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts each of which is income (other than specified farming or fishing income of the corporation for the year) from an active business of the corporation for the year from the provision of services or property to a private corporation (directly or indirectly, in any manner whatever) if
   (A) at any time in the year, the corporation (or one of its shareholders) or a person who does not deal at arm's length with the corporation (or one of its shareholders) holds a direct or indirect interest in the private corporation, and
   (B) it is not the case that all or substantially all of the corporation's income for the year from an active business is from the provision of services or property to
   (I) persons (other than the private corporation) with which the corporation deals at arm's length, or
   (II) partnerships with which the corporation deals at arm's length, other than a partnership in which a person that does not deal at arm's length with the corporation holds a direct or indirect interest.
4. The amount of the business limit you assign to a CCPC cannot be greater than the amount determined by the formula A – B, where A is the amount of income referred to in column M in respect of that CCPC and B is the portion of the amount described in A that is deductible by you in respect of the amount of income referred to in clauses 125(1)(a)(i)(A) or (B) for the year. The amount on line 515 cannot be greater than the amount on line 426.

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the tax year

Taxable income from line 360 on page 3			724,289	A
Lesser of amounts 9B and 9H from Part 9 of Schedule 27		B		
Amount 13K from Part 13 of Schedule 27		C		
Personal services business income 432		D		
Amount from line 400, 405, 410, or 428 on page 4, whichever is the least		E		
Aggregate investment income from line 440 on page 6*		F		
Subtotal (**add** amounts B to F)		►		G
Amount A **minus** amount G (if negative, enter "0")			724,289	H
General tax reduction for Canadian-controlled private corporations – Amount H **multiplied** by 13 %			94,158	I

Enter amount I on line 638 on page 8.

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

General tax reduction

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

Taxable income from line 360 on page 3				J
Lesser of amounts 9B and 9H from Part 9 of Schedule 27		K		
Amount 13K from Part 13 of Schedule 27		L		
Personal services business income 434		M		
Subtotal (**add** amounts K to M)		►		N
Amount J **minus** amount N (if negative, enter "0")				O
General tax reduction – Amount O **multiplied** by 13 %				P

Enter amount P on line 639 on page 8.

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the tax year

Aggregate investment income from Schedule 7 . . . . **440** ______ x 30 2 / 3 % =			A
Foreign non-business income tax credit from line 632 on page 8		B	
Foreign investment income from Schedule 7 . . . . **445** ______ x 8 % =		C	
Subtotal (amount B **minus** amount C) (if negative, enter "0")		▶	D
Amount A **minus** amount D (if negative, enter "0")			E
Taxable income from line 360 on page 3	724,289	F	
Amount from line 400, 405, 410, or 428 on page 4, whichever is the least . . . . ______ G			
Foreign non-business income tax credit from line 632 on page 8 . . . . ______ x 75 / 29 = ______ H			
Foreign business income tax credit from line 636 on page 8 . . ______ x 4 = ______ I			
Subtotal (**add** amounts G to I) ______ ▶		J	
Subtotal (amount F **minus** amount J)	724,289	K x 30 2 / 3 % =	222,115 L
Part I tax payable minus investment tax credit refund (line 700 **minus** line 780 from page 9)			95,035 M
Refundable portion of Part I tax – Amount E, L, or M, whichever is the least **450**			N

Refundable dividend tax on hand

Refundable dividend tax on hand (RDTOH) at the end of the previous tax year	460			
Dividend refund for the previous tax year	465			
Net RDTOH transferred on an amalgamation or the wind-up of a subsidiary	480			
Subtotal (line 460 **minus** line 465 **plus** line 480)				A
General rate income pool (GRIP) at the end of the previous tax year (from line 100 of Schedule 53)				B
Total eligible dividends paid in the previous tax year (from line 300 of Schedule 53)			C	
Total excessive eligible dividend designation in the previous tax year (from line 310 of Schedule 53)			D	
Subtotal (amount C **minus** amount D) (if negative, enter "0")			▶	E
Net GRIP at the end of the previous tax year (amount B **minus** amount E) (if negative, enter "0")			F	
GRIP transferred on an amalgamation or the wind-up of a subsidiary (total of lines 230 and 240 of Schedule 53)			G	
Subtotal (amount F **plus** amount G)			▶	H
Amount H **multiplied** by 38 1 / 3 %				I
Eligible refundable dividend tax on hand (ERDTOH) at the end of the previous tax year (for the first tax year starting after 2018, amount A or I, whichever is less, otherwise, use line 530 ______ of the preceding tax year)	520			J
Non-eligible refundable dividend tax on hand (NERDTOH) at the end of the previous tax year (for the first tax year starting after 2018, amount A **minus** amount I, otherwise, use line 545 ______ of the preceding tax year) (if negative, enter "0")	535			K
Part IV tax payable on taxable dividends from connected corporations (amount 2G from Schedule 3)			L	
Part IV tax payable on eligible dividends from non-connected corporations (amount 2J from Schedule 3)			M	
Subtotal (amount L **plus** amount M)			▶	N
Net ERDTOH transferred on an amalgamation or the wind-up of a subsidiary	525			O
ERDTOH dividend refund for the previous tax year	570			P
Refundable portion of Part I tax (from line 450 on page 6)				Q
Part IV tax before deductions (amount 2A from Schedule 3)			R	
Part IV tax allocated to ERDTOH (amount N)			S	
Part IV tax reduction due to Part IV.1 tax payable (amount 4D of Schedule 43)			T	
Subtotal (amount R **minus** total of amounts S and T)			▶	U
Net NERDTOH transferred on an amalgamation or the wind-up of a subsidiary	540			V
NERDTOH dividend refund for the previous tax year	575			W
38 1/3% of the total losses applied against Part IV tax (amount 2D from Schedule 3)				X
Part IV tax payable allocated to NERDTOH, net of losses claimed (amount U **minus** amount X) (if negative enter "0")				Y
NERDTOH at the end of the tax year (total of amounts K, Q, V, and Y **minus** amount W) (if negative, enter "0")	545			
Part IV tax payable allocated to ERDTOH, net of losses claimed (amount N **minus** the amount, if any, by which amount X exceeds amount U) (if negative, enter "0")				Z
ERDTOH at the end of the tax year (total of amounts J, O, and Z **minus** amount P) (if negative, enter "0")	530			

Dividend refund

38 1/3% of total eligible dividends paid in the tax year (amount 3A from Schedule 3)		AA
ERDTOH balance at the end of the tax year (line 530)		BB
Eligible dividend refund (amount AA or BB, whichever is less)		CC
38 1/3% of total non-eligible taxable dividends paid in the tax year (amount 3B from Schedule 3)	81,492	DD
NERDTOH balance at the end of the tax year (line 545)		EE
Non-eligible dividend refund (amount DD or EE, whichever is less)		FF
Amount DD **minus** amount EE (if negative, enter "0")	81,492	GG
Amount BB **minus** amount CC (if negative, enter "0")		HH
Additional non-eligible dividend refund (amount GG or HH, whichever is less)		II
Dividend refund – Amount CC **plus** amount FF **plus** amount II		JJ

Enter amount JJ on line 784 on page 9.

Part I tax

Base amount Part I tax – Taxable income (from line 360 on page 3) **multiplied** by 38 %			550	275,230	A
Additional tax on personal services business income (section 123.5)					
Taxable income from a personal services business	555	x 5 % =	560		B
Additional tax on banks and life insurers from Schedule 68			565		C
Recapture of investment tax credit from Schedule 31			602		D

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

Aggregate investment income from line 440 on page 6				E
Taxable income from line 360 on page 3	724,289	F		
Deduct: Amount from line 400, 405, 410, or 428 on page 4, whichever is the least		G		
Net amount (amount F **minus** amount G)	724,289	▶	724,289	H

Refundable tax on CCPC's investment income – 10 2 / 3 % of whichever is less: amount E or amount H	604		I
Subtotal (**add** amounts A, B, C, D, and I)		275,230	J

Deduct:

Small business deduction from line 430 on page 4			K		
Federal tax abatement	608	72,429			
Manufacturing and processing profits deduction and zero-emission technology manufacturing deduction from Schedule 27	616				
Investment corporation deduction	620				
Taxed capital gains 624					
Federal foreign non-business income tax credit from Schedule 21	632				
Federal foreign business income tax credit from Schedule 21	636				
General tax reduction for CCPCs from amount I on page 5	638	94,158			
General tax reduction from amount P on page 5	639				
Federal logging tax credit from Schedule 21	640				
Eligible Canadian bank deduction under section 125.21	641				
Federal qualifying environmental trust tax credit	648				
Investment tax credit from Schedule 31	652	13,608			
Subtotal		180,195	▶	180,195	L

Part I tax payable – Amount J **minus** amount L	95,035	M

Enter amount M on line 700 on page 9.

Privacy notice

Personal information (including the SIN) is collected to administer or enforce the Income Tax Act and related programs and activities including administering tax, benefits, audit, compliance, and collection. The information collected may be used or disclosed for the purposes of other federal acts that provide for the imposition and collection of a tax or duty. It may also be disclosed to other federal, provincial, territorial, or foreign government institutions to the extent authorized by law. Failure to provide this information may result in paying interest or penalties, or in other actions. Under the Privacy Act, individuals have a right of protection, access to and correction of their personal information, or to file a complaint with the Privacy Commissioner of Canada regarding the handling of their personal information. Refer to Personal Information Bank CRA PPU 047 on Information about Programs and Information Holdings at canada.ca/cra-information-about-programs.

Summary of tax and credits

Federal tax

Part I tax payable from amount M on page 8	700	95,035
Part III.1 tax payable from Schedule 55	710	
Part IV tax payable from Schedule 3	712	
Part IV.1 tax payable from Schedule 43	716	
Part VI tax payable from Schedule 38	720	
Part VI.1 tax payable from Schedule 43	724	
Part VI.2 tax payable from Schedule 67	725	
Part XIII.1 tax payable from Schedule 92	727	
Part XIV tax payable from Schedule 20	728	
Total federal tax		95,035

Add provincial or territorial tax:

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

Net provincial or territorial tax payable (except Quebec and Alberta)	760	69,657
Total tax payable	770	164,692 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780		
Dividend refund from amount JJ on page 7	784		
Federal capital gains refund from Schedule 18	788		
Federal qualifying environmental trust tax credit refund	792		
Return of fuel charge proceeds to farmers tax credit from Schedule 63	795		
Canadian film or video production tax credit (Form T1131)	796		
Film or video production services tax credit (Form T1177)	797		
Canadian journalism labour tax credit from Schedule 58	798		
Air quality improvement tax credit from Schedule 65	799		
Tax withheld at source	800		
Total payments on which tax has been withheld 801			
Provincial and territorial capital gains refund from Schedule 18	808		
Provincial and territorial refundable tax credits from Schedule 5	812		
Tax instalments paid	840	176,863	
Total credits	890	176,863 ▶	176,863 B

Balance (amount A **minus** amount B) -12,171

If the result is negative, you have **a refund**. If the result is positive, you have a **balance owing**.
Enter the amount below on whichever line applies.

Generally, the CRA does not charge or refund a difference of $2 or less.

Refund code 894 1 Refund 12,171 Balance owing

For information on how to enrol for direct deposit, go to **canada.ca/cra-direct-deposit**.

For information on how to make your payment, go to **canada.ca/payments**.

If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due? 896 Yes ☐ No ☒

If this return was prepared by a tax preparer for a fee, provide their EFILE number 920 G1829

Certification

I, 950 McAllister (Last name) 951 Glen (First name) 954 CFO (Position, office, or rank),
am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I also certify that the method of calculating income for this tax year is consistent with that of the previous tax year except as specifically disclosed in a statement attached to this return.

955 2023-06-15 — Date (yyyy/mm/dd)
Signature of the authorized signing officer of the corporation
956 (705) 431-6870 — Telephone number

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

958 Lisa McCaskie — Name of other authorized person
959 (705) 431-6870 — Telephone number

Language of correspondence – Langue de correspondance

Indicate your language of correspondence by entering **1** for English or **2** for French.
Indiquez votre langue de correspondance en inscrivant **1** pour anglais ou **2** pour français. 990 1

Financial Statements of
(Expressed in thousands of dollars)

INNPOWER CORPORATION

And Independent Auditor's Report thereon

Year ended December 31, 2022

KPMG LLP
120 Victoria Street South
Suite 600
Kitchener ON N2G 0E1
Canada
Tel 519-747-8800
Fax 519-747-8811

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of InnPower Corporation

Opinion

We have audited the financial statements of InnPower Corporation (the Entity), which comprise:

- the statement of financial position as at December 31, 2022
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2022 and its financial performance and its cash flows for the year then ended in accordance with International financial reporting standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditor's Responsibilities for the Audit of the Financial Statements"*** section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International financial reporting standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Kitchener, Canada

April 24, 2023

INNPOWER CORPORATION

Statement of Financial Position
(Expressed in thousands of dollars)

December 31, 2022, with comparative information for 2021

	2022	2021
Assets		
Current assets:		
Cash	$ 6,471	$ -
Accounts receivable (note 4)	10,448	7,951
Unbilled revenue	3,771	3,509
Materials and supplies	2,401	1,407
Prepaid expenses	321	461
Total current assets	23,412	13,328
Non-current assets:		
Property, plant and equipment (note 5)	110,834	99,357
Intangible assets (note 6)	664	559
Right of use assets (note 11)	110	140
Total non-current assets	111,608	100,056
Total assets	135,020	113,384
Regulatory debit balances (note 8)	11,120	10,477
Total assets and regulatory balances	$ 146,140	$ 123,861

See accompanying notes to financial statements.

INNPOWER CORPORATION

Statement of Financial Position
(Expressed in thousands of dollars)

December 31, 2022, with comparative information for 2021

		2022		2021
Liabilities				
Current liabilities:				
Bank indebtedness (note 10)	$	-	$	1,270
Accounts payable and accrued liabilities (note 9)		10,194		8,157
Current portion of long-term debt (note 10)		3,696		6,883
Income taxes payable (recoverable)		21		124
Current portion of customer deposits		7,676		39
Current portion of lease liabilities (note 11)		30		92
Total current liabilities		21,617		16,565
Non-current liabilities:				
Construction and customer deposits		10,421		6,478
Long-term debt (note 10)		32,277		30,565
Post employment benefits (note 12)		143		162
Contributions in aid of construction (note 13)		43,207		35,950
Deferred tax liability (note 7)		3,042		2,338
Lease liabilities (note 11)		82		46
		89,172		75,539
		110,789		92,104
Equity:				
Share capital (note 14)		10,852		10,852
Contributed surplus		1,600		1,600
Accumulated other comprehensive income		92		60
Retained earnings		20,375		17,917
		32,919		30,429
Subsequent event (note 14)				
Regulatory credit balances (note 8)		2,432		1,328
Total liabilities, equity and regulatory balances	$	146,140	$	123,861

See accompanying notes to financial statements.

On behalf of the Board:

______________________________ Director ______________________________ Director

INNPOWER CORPORATION

Statement of Comprehensive Income
(Expressed in thousands of dollars)

Year ended December 31, 2022, with comparative information for 2021

		2022		2021
Revenue:				
Sale of energy	$	35,258	$	35,232
Distribution revenue		12,980		12,287
Other (note 15)		2,334		2,179
		15,314		14,466
		50,572		49,698
Operating expenses:				
Cost of power purchased		38,452		38,487
Operating (note 16)		7,185		6,631
Depreciation and amortization		3,584		3,249
Loss on sale of property, plant and equipment and intangible assets		61		345
		10,830		10,225
		49,282		48,712
Income from operating activities		1,290		986
Finance costs (note 17)		(1,342)		(1,251)
Finance income (note 17)		78		-
Income (loss) before income taxes and undernoted items		26		(265)
Income tax expense (note 7)		(682)		(880)
Net income (loss) for the year before movement in regulatory deferral account balances		(656)		(1,145)
Other income:				
Net movement in regulatory balances		3,326		3,757
Net income for the year and net movement in regulatory balances		2,670		2,612
Other comprehensive income (loss):				
Remeasurement of post-employment benefits, net of tax		32		(17)
Other comprehensive loss for the year		32		(17)
Total comprehensive income for the year	$	2,702	$	2,595

See accompanying notes to financial statements.

INNPOWER CORPORATION

(Expressed in thousands of dollars)
Statement of Changes in Equity

Year ended December 31, 2022, with comparative information for 2021

	Share capital	Retained earnings	Contributed surplus	Accumulated other comprehensive income (loss)	Total
Balance at January 1, 2021	$ 10,852	$ 15,305	$ 1,600	$ 77	$ 27,834
Net income and net movement in regulatory balances	-	2,612	-	-	2,612
Other comprehensive loss	-	-	-	(17)	(17)
Balance at December 31, 2021	$ 10,852	$ 17,917	$ 1,600	$ 60	$ 30,429
Balance at January 1, 2022	$ 10,852	$ 17,917	$ 1,600	$ 60	$ 30,429
Net income and net movement in regulatory balances	-	2,670	-	-	2,670
Other comprehensive income	-	-	-	32	32
Dividends	-	(212)	-	-	(212)
Balance at December 31, 2022	$ 10,852	$ 20,375	$ 1,600	$ 92	$ 32,919

See accompanying notes to financial statements.

INNPOWER CORPORATION

Statement of Cash Flows
(Expressed in thousands of dollars)

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Net Income and net movement in regulatory balances	$ 2,702	$ 2,595
Items not involving cash:		
Depreciation and amortization	3,797	3,395
Depreciation and amortization right of use asset	30	54
Amortization of contributions in aid of construction	(1,115)	(927)
Post-employment benefits	(19)	31
Loss on disposal of property, plant and equipment	61	345
Net finance costs	1,264	1,251
Income tax expense	682	880
Income tax expense within net movement in regulatory balances	266	529
	7,668	8,153
Changes in non-cash operating working capital:		
Accounts receivable	(2,497)	(1,960)
Unbilled revenue	(262)	1,809
Materials and supplies	(994)	82
Prepaid expenses	140	(70)
Accounts payable and accrued liabilities	2,037	(295)
Customer deposits	11,580	3,847
	10,004	3,413
Income tax recovered (paid)	(81)	(344)
Interest paid	(1,264)	(1,251)
Regulatory balances	195	(2,132)
	16,522	7,839
Financing activities:		
Bank indebtedness	(1,270)	(2,043)
Repayment of long-term debt	(1,475)	1,250
Repayment of lease liabilities	(26)	(43)
Dividends paid	(212)	-
	(2,983)	(836)
Investing activities:		
Purchase of property, plant and equipment	(15,253)	(12,971)
Purchase of intangible assets	(321)	(153)
Proceeds on disposal of property, plant and equipment	134	36
Construction contributions received	8,372	6,085
	(7,068)	(7,003)
Increase in cash	6,471	-
Cash, beginning of year	-	-
Cash, end of year	$ 6,471	$ -

See accompanying notes to financial statements.

Reporting entity:

InnPower Corporation (the "Corporation") is a rate regulated, municipally owned hydro distribution company incorporated under the laws of Ontario, Canada. The Corporation is located in the Town of Innisfil (“the Town”). The address of the Corporation’s registered office is 7251 Yonge Street, Innisfil, Ontario.

The Corporation delivers electricity and related energy services to residential and commercial customers in the Town and South Barrie. The Corporation is wholly owned by the Town of Innisfil.

The financial statements are for the Corporation as at and for the year ended December 31, 2022.

1. Basis of presentation:

(a) Statement of compliance:

The Corporation's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The financial statements were approved by the Board of Directors on April 20, 2023.

(b) Basis of measurement:

These financial statements have been prepared on the historical cost basis, unless otherwise stated.

(c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Corporation's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest thousand.

(d) Use of estimates and judgments:

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment is included in the following notes:

1. Basis of presentation (continued):

(d) Use of estimates and judgments (continued):

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment is included in the following notes:

(i) Note 2(b) - measurement of unbilled revenue
(ii) Note 2(b) - determination of the performance obligation for contributions from customers and the related amortization period.
(iii) Notes 2 (k), 11 - leases: whether an arrangement contains a lease
(iv) Notes 5, 6 - estimation of useful lives of its property, plant and equipment and intangible assets
(v) Note 8 - recognition and measurement of regulatory balances
(vi) Note 12 - measurement of defined benefit obligations: key actuarial assumptions
(vii) Note 18 - recognition and measurement of provisions and contingencies

(e) Rate regulation:

The Corporation is regulated by the Ontario Energy Board ("OEB"), under the authority granted by the Ontario Energy Board Act, 1998. Among other things, the OEB has the power and responsibility to approve or set rates for the transmission and distribution of electricity, providing continued rate protection for electricity consumers in Ontario, and ensuring that transmission and distribution companies fulfill obligations to connect and service customers. The OEB may also prescribe license requirements and conditions of service to local distribution companies ("LDCs"), such as the Corporation, which may include, among other things, record keeping, regulatory accounting principles, separation of accounts for distinct businesses, and filing and process requirements for rate setting purposes.

The Corporation is required to bill customers for the debt retirement charge set by the province. The Corporation may file to recover uncollected debt retirement charges from Ontario Electricity Financial Corporation ("OEFC") once each year.

1. Basis of presentation (continued):

(e) Rate regulation (continued):

Distribution revenue

For the distribution revenue included in sale of energy, the Corporation files a "Cost of Service" ("COS") rate application with the OEB every five years where rates are determined through a review of the forecasted annual amount of operating and capital expenditures, debt and shareholder's equity required to support the Corporation's business. The Corporation estimates electricity usage and the costs to service each customer class to determine the appropriate rates to be charged to each customer class. The COS application is reviewed by the OEB and interveners and rates are approved based upon this review, including any revisions resulting from that review.

In the intervening years an Incentive Rate Mechanism application ("IRM") is filed. An IRM application results in a formulaic adjustment to distribution rates that were set under the last COS application. The previous year's rates are adjusted for the annual change in the Gross Domestic Product Implicit Price Inflator for Final Domestic Demand ("GDP IPI-FDD") net of a productivity factor and a "stretch factor" determined by the relative efficiency of an electricity distributor.

As a licensed distributor, the Corporation is responsible for billing customers for electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties. The Corporation is required, pursuant to regulation, to remit such amounts to these third parties, irrespective of whether the Corporation ultimately collects these amounts from customers.

The Corporation last filed a COS application in 2017 for rates effective May 1, 2018. On December 9, 2021, the Corporation received its decision on rates from its most recent IRM filing for rates effective January 1, 2022.

Electricity rates

The OEB sets electricity prices for low-volume consumers twice each year based on an estimate of how much it will cost to supply the province with electricity for the next year. All remaining consumers pay the market price for electricity. The Corporation is billed for the cost of the electricity that its customers use and passes this cost on to the customer at cost without a mark-up.

2. Significant accounting policies:

The accounting policies set out below have been applied consistently in all years presented in these financial statements.

(a) Financial instruments:

At initial recognition, the Company measures it's financial assets at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement of the financial asset depends on the classification determined on initial recognition. Financial assets are classified as either amortized cost, fair value through other comprehensive income ("OCI") or fair value through profit or loss, depending on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Financial assets are not reclassified subsequent to their initial recognition, unless the Company changes its business model for managing financial assets.

Financial liabilities are initially measured at fair value, net of transaction costs incurred. They are subsequently carried at amortized cost using the effective interest rate method; any difference between the proceeds (net of transaction costs) and the redemption value is recognized as an adjustment to interest expense over the period of the borrowings.

The Corporation has not entered into derivative instruments.

(b) Revenue recognition:

Sale and distribution of electricity

The performance obligations for the sale and distribution of electricity are recognized over time using an output method to measure the satisfaction of the performance obligation. The value of the electricity services transferred to the customer is determined on the basis of cyclical meter readings plus estimated customer usage since the last meter reading date to the end of the year and represents the amount that the Corporation has the right to bill. Revenue includes the cost of electricity supplied, distribution, and any other regulatory charges. The related cost of power is recorded on the basis of power used.

For customer billings related to electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties, the Corporation has determined that it is acting as a principal for these electricity charges and, therefore, has presented electricity revenue on a gross basis.

Customer billings for debt retirement charges are recorded on a net basis as the Corporation is acting as an agent for this billing stream.

2. Significant accounting policies (continued):

(b) Revenue recognition (continued):

Capital contributions

Developers are required to contribute towards the capital cost of construction of distribution assets in order to provide ongoing service. The developer is not a customer and therefore the contributions are scoped out of IFRS 15 Revenue from Contracts with Customers. Cash contributions, received from developers are recorded as deferred revenue. When an asset other than cash is received as a capital contribution, the asset is initially recognized at its fair value, with a corresponding amount recognized as deferred revenue. The deferred revenue, which represents the Corporation's obligation to continue to provide the customers access to the supply of electricity, is amortized to income on a straight-line basis over the useful life of the related asset.

Certain customers are also required to contribute towards the capital cost of construction of distribution assets in order to provide ongoing service. These contributions fall within the scope of IFRS 15 Revenue from Contracts with Customers. The contributions are received to obtain a connection to the distribution system in order receive ongoing access to electricity. The Corporation has concluded that the performance obligation is the supply of electricity over the life of the relationship with the customer which is satisfied over time as the customer receives and consumes the electricity. Revenue is recognized on a straight-line basis over the useful life of the related asset.

Other revenue

Revenue earned from the provision of services is recognized as the service is rendered.

Government grants and the related performance incentive payments under CDM programs are recognized as revenue in the year when there is reasonable assurance that the program conditions have been satisfied and the payment will be received.

Unbilled revenue

Unbilled revenue represents amounts for which the Corporation has a contractual right to receive cash through future billings and are unbilled at period-end. Unbilled revenue is recorded based on preliminary consumption for the month not yet billed.

2. Significant accounting policies (continued):

(c) Materials and supplies:

Materials and supplies, the majority of which is consumed by the Corporation in the provision of its services, is valued at the lower of cost and net realizable value, with cost being determined on an average cost basis, and includes expenditures incurred in acquiring the materials and supplies and other costs incurred in bringing them to their existing location and condition.

(d) Property, plant and equipment:

Items of property, plant and equipment ("PP&E") used in rate-regulated activities and acquired prior to January 1, 2015 are measured at the deemed cost (carrying value as elected under IFRS 1) established on the transition date, less accumulated depreciation. All other items of PP&E are measured at cost, or, where the item is contributed by customers, its fair value, less accumulated depreciation.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes contracted services, materials and transportation costs, direct labour, overhead costs, borrowing costs and any other costs directly attributable to bringing the asset to a working condition for its intended use.

Borrowing costs on qualifying assets are capitalized as part of the cost of the asset based upon the weighted average cost of debt incurred on the Corporation's borrowings. Qualifying assets are considered to be those that take in excess of 12 months to construct.

When parts of an item of PP&E have different useful lives, they are accounted for as separate items (major components) of PP&E.

When items of PP&E are retired or otherwise disposed of, a gain or loss on disposal is determined by comparing the proceeds from disposal, if any, with the carrying amount of the item and is included in profit or loss.

Major spare parts and standby equipment are recognized as items of PP&E.

The cost of replacing a part of an item of PP&E is recognized in the net book value of the item if it is probable that the future economic benefits embodied within the part will flow to the Corporation and its cost can be measured reliably. In this event, the replaced part of PP&E is written off, and the related gain or loss is included in profit or loss. The costs of the day-to-day servicing of PP&E are recognized in profit or loss as incurred.

(Expressed in thousands of dollars)

2. Significant accounting policies (continued):

(d) Property, plant and equipment (continued):

The need to estimate the decommissioning costs at the end of the useful lives of certain assets is reviewed periodically.

Depreciation is calculated to write off the cost of items of PP&E using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss. Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted prospectively if appropriate. Land is not depreciated. Construction-in-progress assets are not depreciated until the project is complete and the asset is available for use.

The estimated useful lives are as follows:

Asset	Rate
Buildings and fixtures	50 years
Substations	30 years
Distribution lines	15-60 years
Distribution transformers	40-50 years
Meters	15-25 years
Office equipment	10 years
Computer equipment	5 years
Transportation equipment	10 years
Small tools and miscellaneous equipment	10 years
System supervisory	15 years

2. Significant accounting policies (continued):

(e) Intangible assets:

Intangible assets used in rate-regulated activities and acquired prior to January 1, 2015 are measured at deemed cost (carrying value as elected under IFRS 1) established on the transition date, less accumulated amortization. All other intangible assets are measured at cost.

Computer software that is acquired or developed by the Corporation after January 1, 2015, including software that is not integral to the functionality of equipment purchased which has finite useful lives, is measured at cost less accumulated amortization.

Payments to obtain rights to access land ("land rights") are classified as intangible assets. These include payments made for easements, right of access and right of use over land for which the Corporation does not hold title. Land rights are measured at cost less accumulated amortization.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. Amortization methods and useful lives of all intangible assets are reviewed at each reporting date and adjusted prospectively if appropriate. The estimated useful lives are:

Asset	Rate
Computer software	5 years
Land rights	50 years

2. Significant accounting policies (continued):

(f) Impairment:

(i) Financial assets measured at amortized cost:

A loss allowance for expected credit losses on financial assets measured at amortized cost is recognized at the reporting date. The loss allowance is measured at an amount equal to the lifetime expected credit losses for the asset.

(ii) Non-financial assets:

The carrying amounts of the Corporation's non-financial assets, other than materials and supplies and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or “CGU”). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(g) Customer deposits:

Customer deposits represent cash deposits from electricity distribution customers and retailers to guarantee the payment of energy bills. Interest is paid on customer deposits.

Deposits are refundable to customers who demonstrate an acceptable level of credit risk as determined by the Corporation in accordance with policies set out by the OEB or upon termination of their electricity distribution service.

2. Significant accounting policies (continued):

(h) Provisions:

A provision is recognized if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(i) Regulatory balances:

Regulatory deferral account debit balances represent costs incurred in excess of amounts billed to the customer at OEB approved rates. Regulatory deferral account credit balances represent amounts billed to the customer at OEB approved rates in excess of costs incurred by the Corporation.

Regulatory deferral account debit balances are recognized if it is probable that future billings in an amount at least equal to the deferred cost will result from inclusion of that cost in allowable costs for rate-making purposes. The offsetting amount is recognized in net movement in regulatory balances in profit or loss or OCI. When the customer is billed at rates approved by the OEB for the recovery of the deferred costs, the customer billings are recognized in revenue. The regulatory debit balance is reduced by the amount of these customer billings with the offset to net movement in regulatory balances in profit or loss or OCI.

The probability of recovery of the regulatory deferral account debit balances is assessed annually based upon the likelihood that the OEB will approve the change in rates to recover the balance. The assessment of likelihood of recovery is based upon previous decisions made by the OEB for similar circumstances, policies or guidelines issued by the OEB, etc. Any resulting impairment loss is recognized in profit or loss in the year incurred.

When the Corporation is required to refund amounts to ratepayers in the future, the Corporation recognizes a regulatory deferral account credit balance. The offsetting amount is recognized in net movement in regulatory balances in profit or loss or OCI. The amounts returned to the customers are recognized as a reduction of revenue. The credit balance is reduced by the amount of these customer repayments with the offset to net movement in regulatory balances in profit or loss or OCI.

2. Significant accounting policies (continued):

(j) Post-employment benefits:

(i) Pension plan

The Corporation provides a pension plan for all its full-time employees through Ontario Municipal Employees Retirement System (“OMERS”). OMERS is a multi-employer pension plan which operates as the Ontario Municipal Employees Retirement Fund (“the Fund”), and provides pensions for employees of Ontario municipalities, local boards and public utilities. The Fund is a contributory defined benefit pension plan, which is financed by equal contributions from participating employers and employees, and by the investment earnings of the Fund. To the extent that the Fund finds itself in an under-funded position, additional contribution rates may be assessed to participating employers and members.

OMERS is a defined benefit plan. However, as OMERS does not segregate its pension asset and liability information by individual employers, there is insufficient information available to enable the Corporation to directly account for the plan. Consequently, the plan has been accounted for as a defined contribution plan. The Corporation is not responsible for any other contractual obligations other than the contributions. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss when they are due.

(ii) Post-employment benefits, other than pension

The Corporation provides some of its retired employees with life insurance and medical benefits beyond those provided by government sponsored plans.

The obligations for these post-employment benefit plans are actuarially determined by applying the projected unit credit method and reflect management’s best estimate of certain underlying assumptions. Remeasurements of the net defined benefit obligations, including actuarial gains and losses and the return on plan assets (excluding interest), are recognized immediately in other comprehensive income. When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized immediately in profit or loss.

2. Significant accounting policies (continued):

(k) Leased assets:

At inception of a contract, the Corporation assesses whether the contract is or contains a lease. A contract is determined to contain a lease if it provides the Corporation with the right to control the use of an identified asset for a period of time in exchange for consideration. Contracts determined to contain a lease are accounted for as leases. For leases and contracts that contain a lease, the Corporation recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Subsequent to initial recognition, the right-of-use asset is recognized at cost less any accumulated depreciation and any accumulated impairment losses, adjusted for certain remeasurements of the corresponding lease liability.

The lease liability is initially measured at the present value of lease payments plus the present value of lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Corporation’s incremental borrowing rate.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Corporation’s estimate of the amount expected to be payable under a residual value guarantee, or if the Corporation changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

2. Significant accounting policies (continued):

(l) Finance income and finance costs:

Finance income is recognized as it accrues in profit or loss, using the effective interest method. Finance income comprises interest earned on cash and dividend income.

Finance costs comprise interest expense on borrowings and net interest expense on post-employment benefits. Finance costs are recognized in profit or loss unless they are capitalized as part of the cost of qualifying assets.

(m) Income taxes:

The income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case, it is recognized in equity.

The Corporation is currently exempt from taxes under the Income Tax Act (Canada) and the Ontario Corporations Tax Act (collectively the “Tax Acts”). Under the Electricity Act, 1998, the Corporation makes payments in lieu of corporate taxes to the Ontario Electricity Financial Corporation (“OEFC”). These payments are calculated in accordance with the rules for computing taxable income and taxable capital and other relevant amounts contained in the Tax Acts as modified by the Electricity Act, 1998, and related regulations. Prior to October 1, 2001, the Corporation was not subject to income or capital taxes. Payments in lieu of taxes are referred to as income taxes.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the tax basis of assets and liabilities and their carrying amounts for accounting purposes. Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted, at the reporting date.

3. Changes to accounting policies:

The International Accounting Standards Board (IASB) has issued the following Standards, Interpretations and Amendments to Standards that were adopted by the Company effective January 1, 2022. The amendments and clarifications did not have an impact on the financial statements.

(a) Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16):

On May 14, 2020, the IASB issued Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16). The amendments clarify that proceeds from selling items before the related item of Property, Plant and Equipment is available for use should be recognized in profit or loss, together with the cost of producing those items.

(b) Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37):

On May 14, 2020, the IASB issued Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37). This amendment clarifies which costs are included as a cost of fulfilling a contract when determining whether a contract is onerous.

(c) Annual Improvements to IFRS Standards 2018 – 2020:

On May 14, 2020, the IASB issued Annual Improvements to IFRS Standards 2018 -2020.

IFRS 9 Financial Instruments

Clarifies which fees are included for the purpose of performing the `10 per cent test' for derecognition of financial liabilities.

IFRS 16 Leases

Removes the illustration of payments from the lessor relating to leasehold improvements. The impact of adoption of these improvements is not expected to have an impact on the business.

(Expressed in thousands of dollars)

3. Changes to accounting policies (continued):

Emerging accounting changes:

At the date of authorization of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early by the Company and it is still to be determined if any will have a material impact on the Company's financial statements.

a) Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
b) Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
c) Definition of Accounting Estimate (Amendments to IAS 8)
d) Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction Amendments to IAS 12 Income Taxes

4. Accounts receivable:

	2022	2021
Trade customer accounts receivable	$ 4,908	$ 4,790
Other receivables	4,473	2,002
Due from related parties	1,067	1,159
	$ 10,448	$ 7,951

(Expressed in thousands of dollars)

5. Property, plant and equipment:

		Land and buildings		Distribution equipment		Other fixed assets		Construction-in-progress		Total
Cost of deemed cost										
Balance at January 1, 2022	$	14,923	$	92,692	$	6,659	$	3,806	$	118,080
Additions		144		12,385		523		2,201		15,253
Disposals/ retirements		-		(250)		-		-		(250)
Balance at December 31, 2022	$	15,067	$	104,827	$	7,182	$	6,007	$	133,083
Balance at January 1, 2021	$	14,879	$	79,946	$	5,651	$	5,120	$	105,596
Additions		44		13,177		1,045		(1,314)		12,952
Disposals/ retirements		-		(431)		(37)		-		(468)
Balance at December 31, 2021	$	14,923	$	92,692	$	6,659	$	3,806	$	118,080
Accumulated depreciation										
Balance at January 1, 2022	$	1,827	$	13,433	$	3,463	$	-	$	18,723
Depreciation		287		2,728		566		-		3,581
Disposals		-		(55)		-		-		(55)
Balance at December 31, 2022	$	2,114	$	16,106	$	4,029	$	-	$	22,249
Balance at January 1, 2021	$	1,542	$	11,087	$	2,971	$	-	$	15,600
Depreciation		285		2,433		492		-		3,210
Disposals		-		(87)		-		-		(87)
Balance at December 31, 2021	$	1,827	$	13,433	$	3,463	$	-	$	18,723
Carrying amounts										
At December 31, 2022	$	12,953	$	88,721	$	3,153	$	6,007	$	110,834
At December 31, 2021		13,096		79,259		3,196		3,806		99,357

(Expressed in thousands of dollars)

6. Intangible assets:

	Computer software	Land rights	Total
Cost of deemed cost			
Balance at January 1, 2022	$ 1,460	$ 397	$ 1,857
Additions	321	-	321
Balance at December 31, 2022	$ 1,781	$ 397	$ 2,178
Balance at January 1, 2021	$ 1,307	$ 397	$ 1,704
Additions	153	-	153
Balance at December 31, 2021	$ 1,460	$ 397	$ 1,857
Accumulated amortization			
Balance at January 1, 2022	$ 1,193	$ 105	$ 1,298
Amortization	204	12	216
Balance at December 31, 2022	$ 1,397	$ 117	$ 1,514
Balance at January 1, 2021	$ 1,021	$ 92	$ 1,113
Amortization	172	13	185
Balance at December 31, 2021	$ 1,193	$ 105	$ 1,298
Carrying amounts			
At December 31, 2022	$ 384	$ 280	$ 664
At December 31, 2021	267	292	559

(Expressed in thousands of dollars)

7. Income tax expense:

Current tax expense (recovery):

		2022		2021
Current tax expense (recovery)	$	(11)	$	350
Deferred tax expense		693		530
Income tax expense	$	682	$	880

Reconciliation of effective tax rate:

		2022		2021
Income before taxes	$	3,352	$	3,475
Statutory income tax rates		26.5 %		26.5 %
Expected tax provision on income at statutory rates	$	888	$	921
Increase (decrease) in income taxes resulting from:				
Permanent differences		(183)		(139)
Prior period adjustment		(27)		40
Other		4		58
Income tax expense	$	682	$	880

Significant components of the Corporation’s deferred tax balances:

		2022		2021
Deferred tax assets (liabilities):				
Property, plant and equipment	$	(3,076)	$	(2,381)
Post-employment benefits		38		43
Other		(4)		-
	$	(3,042)	$	(2,338)

(Expressed in thousands of dollars)

8. Regulatory account balances:

Reconciliation of the carrying amount for each class of regulatory balances:

Regulatory deferral account debit balances	January 1, 2022	Additions	Recovery/ reversal	December 31, 2022	Remaining recovery/ reversal years
Retail settlement variances	$ 6,033	$ 1,942	$ (1,255)	$ 6,720	2-3
Regulatory asset associated with deferred taxes	3,180	959	-	4,139	-
Regulatory variances disposition	1,038	-	(1,038)	-	-
Other	226	35	-	261	1-3
	$ 10,477	$ 2,936	$ (2,293)	$ 11,120	

Regulatory deferral account debit balances	January 1, 2021	Additions	Recovery/ reversal	December 31, 2021	Remaining recovery/ reversal years
Retail settlement variances	$ 5,154	$ 1,498	$ (619)	$ 6,033	2-3
Regulatory transition to IFRS	2,459	721	-	3,180	-
Regulatory variances disposition	1,385	-	(347)	1,038	-
Other	175	51	-	226	1-3
	$ 9,173	$ 2,270	$ (966)	$ 10,477	

(Expressed in thousands of dollars)

8. Regulatory account balances (continued):

Regulatory deferral account credit balances	January 1, 2022	Additions	Recovery/ reversal	December 31, 2022	Remaining recovery/ reversal years
Retail settlement variances	$ 19	$ 54	$ -	$ 73	2-3
Deferred income tax on regulatory asset	843	266	-	1,109	-
Regulatory variances disposition	-	61	-	61	-
Other	466	730	(7)	1,189	-
	$ 1,328	$ 1,111	$ (7)	$ 2,432	

Regulatory deferral account credit balances	January 1, 2021	Additions	Recovery/ reversal	December 31, 2021	Remaining recovery/ reversal years
Retail settlement variances	$ 643	$ 5	$ (629)	$ 19	2-3
Deferred income tax on regulatory asset	651	192	-	843	-
Other	333	133	-	466	-
	$ 1,627	$ 330	$ (629)	$ 1,328	

For 2022, the net movement in regulatory deferred account balances net of taxes of $3,326 consists of the regulatory deferred tax expense of $693, the regulatory treatment on the Accelerated Investment Incentive tax program of ($730), the difference between the Power Purchased and the Sale of Electricity of $3,194, and approximately $169 in other carrying charges.

For 2021 the net movement in regulatory deferred account balances net of taxes of $3,757 consists of the regulatory deferred tax expense of $530, the regulatory treatment on the Accelerated Investment Incentive tax program of ($114), the difference between the Power Purchased and the Sale of Electricity of $3,255 and approximately $86 in other carrying charges.

(Expressed in thousands of dollars)

8. Regulatory account balances (continued):

On December 16, 2020, the OEB Staff released their proposal on the COVID-19 deferral accounts which introduces certain criteria to that may need to be satisfied for amounts to be eligible for recovery. Based on this information, management believes there is high uncertainty in regards to the recoverability of costs and lost revenues related to government and OEB customer relief actions, and therefore a low probability of recovery. Costs directly related to the implementation of safety measures as a result of the COVID-19 pandemic were tracked. No amounts have been recorded in the COVID-19 Emergency Deferral Account as at December 31, 2022.

The regulatory balances are recovered or settled through rates approved by the OEB which are determined using estimates of future consumption of electricity by its customers. Future consumption is impacted by various factors including the economy and weather. The Corporation has received approval from the OEB to establish its regulatory balances.

Settlement of the Group 1 deferral accounts is done on an annual basis through application to the OEB. The OEB requires the Corporation to estimate its income taxes when it files a COS application to set its rates. As a result, the Corporation has recognized a regulatory deferral account for the amount of deferred taxes that will ultimately be recovered from/paid back to its customers. This balance will fluctuate as the Corporation's deferred tax balance fluctuates.

Regulatory deferral accounts attract interest at OEB prescribed rates. With the exception of Pension and OEB Forecast Accrual accounts (OPEBs), the rates for 2022 were 0.57% from January to March, 1.02% from April to June, 2.20% from July to September and 3.87% from October to December. Prior year rates were 0.57%.

In 2022, OPEB rates were 0.57% from January to March, 1.02% from April to June, 2.20% from July to September and 3.87% from October to December. In 2021, OPEB rates were 2.03% to 2.29%.

9. Accounts payable and accrued liabilities:

	2022	2021
Power purchases	$ 2,491	$ 2,649
Trade payables	3,162	2,295
Due to related parties	3,772	2,431
Other	769	782
	$ 10,194	$ 8,157

(Expressed in thousands of dollars)

10. Long-term debt:

	2022	2021
Term loan, interest at 1.92%, payable in monthly instalments, due 2025, secured by a General Security Agreement	$ 1,030	$ 1,151
Term loan, interest at 5.27%, payable in monthly instalments, due 2032, secured by a General Security Agreement	2,804	2,804
Term loan, interest at bank prime, payable in monthly instalments, due 2032 secured by a General Security Agreement	2,615	2,939
Term loan, interest at 4.59%, payable in monthly instalments, due 2023, secured by a General Security Agreement	2,289	2,382
Term loan, interest at 3.96%, payable in monthly instalments, due 2024, secured by a General Security Agreement	1,653	1,701
Term loan, interest at 3.91%, payable in monthly instalments, due 2024, secured by a General Security Agreement	1,668	1,714
Term loan, interest at 3.68%, payable in monthly instalments, due 2025, secured by a General Security Agreement	1,667	1,712
Term loan, interest at 2.88%, payable in monthly instalments, due 2025, secured by a General Security Agreement	10,044	10,358
Term loan, interest at 3.48%, payable in monthly instalments, due 2026, secured by a General Security Agreement	2,526	2,596
Term loan, interest at 3.60%, payable in monthly instalments, due 2027, secured by a General Security Agreement	2,721	2,790
Ontario Infrastructure loan, interest at 3.91%, payable in semi-annual instalments, due 2026 secured by a General Security Agreement	667	833
Term loan, interest at 4.09%, payable in monthly Instalments, due 2026, secured by a General Security Agreement	1,541	1,574
Carried forward	31,225	32,554

(Expressed in thousands of dollars)

10. Long-term debt (continued):

		2022		2021
Carried forward		31,225		32,554
Term loan, interest at 3.28%, payable in monthly instalments, due 2029 secured by a General Security Agreement		2,228		2,279
Term loan, interest at bank prime, payable in monthly instalments, due 2026 secured by a General Security Agreement		2,520		2,615
		35,973		37,448
Less current portion of long-term debt		3,696		6,883
	$	32,277	$	30,565

Principal payment due in each of the next five years are as follows:

2023	$	3,696
2024		4,559
2025		12,585
2026		5,251
2027		2,882
Thereafter		7,000
	$	35,973

As of December 31, 2021, the Company has a bank overdraft of $nil (2021 - $1,270). Bank overdrafts are repayable on demand and form an integral part of the Company's cash management. Interest accrues daily at Prime less 1.90%.

(Expressed in thousands of dollars)

11. Leases:

Right-of-use Asset		Vehicle Leases
Cost of deemed cost		
Balance at January 1, 2022	$	236
Balance at January 1, 2021	$	398
Additions		65
Deletions		(227)
Balance at December 31, 2021	$	236
Accumulated amortization		
Balance at January 1, 2022	$	96
Amortization		30
Balance at December 31, 2022	$	126
Balance at January 1, 2021	$	118
Amortization		54
Deletions		(76)
Balance at December 31, 2021	$	96
Carrying amounts		
At December 31, 2022	$	110
At December 31, 2021		140

Lease Liability		Vehicle Leases
Balance at January 1, 2022	$	138
Repayments		(30)
Interest		4
Balance at December 31, 2022	$	112

(Expressed in thousands of dollars)

11. Leases (continued):

Balance at January 1, 2021	$	286
Additions		65
Deletions		(170)
Repayments		(48)
Interest		5
Balance at December 31, 2021	$	138

Lease liabilities include a current portion of $92, with the remaining balance due over the following two to four years. Certain leases held by the Corporation provide the Corporation with extension options and termination options that may impact the term of the Lease which can impact the finance lease liability recognized in the statement of financial position. The Corporation has determined the lease term for all contracts based on all available information as at the reporting date.

12. Post-employment benefits:

(a) OMERS pension plan:

The Corporation provides a pension plan for its employees through OMERS. The plan is a multi-employer, contributory defined pension plan with equal contributions by the employer and its employees. In 2022, the Corporation made employer contributions of $520 to OMERS (2021 - $522) which has been recognized in profit or loss. The Corporation estimates that a contribution of $500 to OMERS will be made during the next fiscal year.

As at December 31, 2022, OMERS had approximately 541,000 members, of whom 55 are current employees of the Corporation. The most recently available OMERS annual report is for the year ended December 31, 2022, which reported that the plan was 95% funded, with an unfunded liability of $6.7 billion. This unfunded liability may result in extra future payments by participating employers and members.

(Expressed in thousands of dollars)

12. Post-employment benefits (continued):

(b) Post-employment benefits other than pension:

The Corporation pays certain medical and life insurance benefits on behalf of some of its retired employees. The Corporation recognizes these post-employment benefits in the year in which employees' services were rendered. The Corporation is recovering its post-employment benefits in rates based on the expense and remeasurements recognized for post-employment benefit plans.

Reconciliation of the obligation	2022	2021
Defined benefit obligation, beginning of year	$ 162	$ 131
Included in profit or loss:		
Current service cost	20	11
Interest cost	5	3
	25	14
Included in OCI		
Actuarial losses arising from:		
Changes in financial assumptions	(44)	17
	$ 143	$ 162

Actuarial assumptions	2022	2021
Discount (interest) rate	5.00 %	2.90 %
Salary levels	3.10 %	3.10 %
Medical costs	6.50 %	6.50 %
Dental costs	4.00 %	4.00 %

A 1% increase in the assumed discount rate would result in the defined benefit obligation decreasing by $18. A 1% decrease in the assumed discount rate would result in the defined benefit obligation increasing by $20.

(Expressed in thousands of dollars)

13. Contributions in aid of construction:

		2022		2021
Contributions in aid of construction, beginning of year	$	35,950	$	30,792
Contributions received		8,372		6,085
Amortization		(1,115)		(927)
Contributions in aid of construction, end of year	$	43,207	$	35,950

14. Share capital:

		2022		2021
Authorized:				
Unlimited number of common shares				
Unlimited number of preferred shares				
Issued:				
1,000 common shares, no par value	$	10,852	$	10,852

On April 21, 2022, a dividend equal to 10% of deemed adjusted regulated net income, totaling $212, was declared.

On April 20, 2023, a dividend equal to 15% of deemed adjusted regulated net income, totaling $319, was declared.

15. Other revenue:

		2022		2021
Collection and other service charges	$	221	$	216
Billing and other services		32		542
Rent		423		397
Recognition of contributions in aid of construction		1,115		927
Other		543		97
Total other revenue	$	2,334	$	2,179

(Expressed in thousands of dollars)

16. Expenses by nature:

		2022		2021
Salaries, wages and benefits	$	5,101	$	4,733
CPP and EI remittances		394		366
Contributions to OMERS		586		522
Less amounts capitalized		(2,382)		(2,001)
	$	3,699	$	3,620

Operating expenses

		2022		2021
Employee salaries and benefits	$	3,699	$	3,620
Subcontractor costs		763		752
Repairs, maintenance and tooling		628		531
Professional fees		182		206
Other taxes		200		199
Insurance		147		130
Other general administration		1,566		1,193
	$	7,185	$	6,631

17. Finance income and costs:

		2022		2021
Finance income:				
Interest income on bank deposits	$	78	$	-
Finance costs:				
Interest expense on long-term debt		(1,310)		(1,143)
Interest expense on customer deposits		(16)		(100)
Other		(11)		(3)
Interest expense on capital lease		(5)		(5)
		(1,342)		(1,251)
Net finance costs recognized in profit or loss	$	(1,264)	$	(1,251)

(Expressed in thousands of dollars)

18. Commitments and contingencies:

General Liability Insurance:

The Corporation is a member of the Municipal Electric Association Reciprocal Insurance Exchange ("MEARIE"). MEARIE is a pooling of public liability insurance risks of many of the LDCs in Ontario. All members of the pool are subjected to assessment for losses experienced by the pool for the years in which they were members, on a pro-rata basis based on the total of their respective service revenues. As at December 31, 2022, no assessments have been made.

19. Related party transactions:

(a) Parents and ultimate controlling party:

The sole shareholder of the Corporation is the Town of Innisfil. The Town produces consolidated financial statements that are available for public use.

(b) Outstanding balances with related parties:

		2022		2021
Town of Innisfil - receivable	$	347	$	313
InnServices Utilities Inc. - receivable		260		561
InnServices Utilities Inc. - payable		(3,772)		(2,431)
Innterprises Inc. - receivable		454		285
	$	(2,711)	$	(1,272)

(c) Transactions with related parties:

The Corporation delivers electricity to the Town throughout the year for the electricity needs of the Town and its related organizations. Electricity delivery charges are at prices and under terms approved by the OEB.

The Corporation also provides electricity and other services, including water and wastewater billing and collection, to InnServices Utilities Inc, an affiliate company. Electricity delivery charges are at prices and under terms approved by the OEB. Revenue includes $966 (2021 - $1,148) from InnServices Utilities Inc. for financial, billing, and other services.

(Expressed in thousands of dollars)

19. Related party transactions (continued):

(d) Key management personnel:

The key management personnel of the Corporation have been defined as members of its board of directors and executive management team members. The compensation paid or payable is as follows:

		2022		2021
Directors' fees	$	59	$	51
Salaries and other benefits		732		785
	$	791	$	836

20. Financial instruments and risk management:

Fair value disclosure:

The carrying values of cash, accounts receivable, unbilled revenue, due from/to related parties and accounts payable and accrued liabilities approximate fair value because of the short maturity of these instruments. The carrying value of the customer deposits approximates fair value because the amounts are payable on demand.

The fair value of the long-term debt at December 31, 2022 is $32,689 (2021 - $34,833). The fair value is calculated based on the present value of future principal and interest cash flows, discounted at the current rate of interest at the reporting date.

Financial risks:

The Corporation understands the risks inherent in its business and defines them broadly as anything that could impact its ability to achieve its strategic objectives. The Corporation's exposure to a variety of risks such as credit risk, interest rate risk, and liquidity risk, as well as related mitigation strategies are discussed below.

20. Financial instruments and risk management (continued):

(a) Credit risk:

Financial assets carry credit risk that a counterparty will fail to discharge an obligation which could result in a financial loss. Financial assets held by the Corporation, such as accounts receivable, expose it to credit risk. The Corporation earns its revenue from a broad base of customers located in the Town of Innisfil and South Barrie. As at December 31, 2022, no single customer accounts for a balance in excess of 10% of total accounts receivable (2021 - none).

The carrying amount of accounts receivable is reduced through the use of an allowance for impairment and the amount of the related impairment loss is recognized in profit or loss. Subsequent recoveries of receivables previously provisioned are credited to profit or loss. The balance of the allowance for impairment at December 31, 2022 is $21 (2021 - $32). An impairment loss of $412 (2021 - $59) was recognized during the year.

The Corporation's credit risk associated with accounts receivable is primarily related to payments from distribution customers. At December 31, 2022, approximately $158 (2021 - $57) is considered 90 days past due. The Corporation has over 17,000 customers, the majority of whom are residential. Credit risk is managed through collection of security deposits from customers in accordance with directions provided by the OEB and through credit insurance. As at December 31, 2022, the Corporation holds security deposits in the amount of $39 (2021 - $39).

(b) Market risk:

Market risks primarily refer to the risk of loss resulting from changes in commodity prices, foreign exchange rates, and interest rates. The Corporation currently does not have any material commodity or foreign exchange risk. The Corporation is exposed to fluctuations in interest rates as the regulated rate of return for the Corporation's distribution business is derived using a complex formulaic approach which is in part based on the forecast for long term Government of Canada bond yields. This rate of return is approved by the OEB as part of the approval of distribution rates.

A 1% increase in the interest rate at December 31, 2022, would have increased interest expense on the long-term debt by $379, assuming all other variables remain constant. A 1% decrease in the interest rate would have an equal but opposite effect.

20. Financial instruments and risk management (continued):

(c) Liquidity risk:

The Corporation monitors its liquidity risk to ensure access to sufficient funds to meet operational and investing requirements. The Corporation's objective is to ensure that sufficient liquidity is on hand to meet obligations as they fall due while minimizing interest exposure. The Corporation has access to a $6,000 line of credit facility and monitors cash balances daily to ensure that a sufficient level of liquidity is on hand to meet financial commitments as they become due. As at December 31, 2022, $nil had been drawn under the Corporation's credit facility (2021 - $1,270), however the availability is reduced by $938 letter of credit with the IESO.

The Corporation also has a letter of credit facility for $938 for the purpose of issuing letters of credit mainly to support the prudential requirements of the IESO, of which $nil has been drawn and posted with the IESO (2021 - $938).

The majority of accounts payable, as reported on the statement of financial position, are due within 30 days.

(d) Capital disclosures:

The main objectives of the Corporation, when managing capital, are to ensure ongoing access to funding to maintain and improve the electricity distribution system, compliance with covenants related to its credit facilities, prudent management of its capital structure with regard for recoveries of financing charges permitted by the OEB on its regulated electricity distribution business, and to deliver the appropriate financial returns.

The Corporation's definition of capital includes shareholder's equity and long-term debt. As at December 31, 2022, shareholder's equity amounts to $32,919 (2021 - $30,429) and long-term debt amounts to $35,973 (2021 - $37,442).

Schedule of Instalment Remittances

Name of corporation contact ______________________

Telephone number ______________________

Effective interest date	Description (instalment remittance, split payment, assessed credit)	Amount of credit
	2022	176,863

Total amount of instalments claimed (carry the result to line 840 of the T2 Return) 176,863 **A**

Total instalments credited to the taxation year per T9 176,863 **B**

Transfer

	Account number	Taxation year end	Amount	Effective interest date	Description
From:					
To:					
From:					
To:					
From:					
To:					
From:					
To:					
From:					
To:					

Attached Schedule with Total

Amount of credit

Title Amount of credit

Explanatory note

See "INST 22"

Agrees to amt per provision per "SS.00-1 22"

Description	Operator (Note)	Amount	
June		88,434	00
Aug	+	14,739	00
Aug	+	14,739	00
Sept	+	14,739	00
Oct	+	14,739	00
Nov	+	14,739	00
Jan 23	+	14,734	00
	+		
	Total	176,863	00

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula 1+2*3 will not result in the same thing as the formula 1+3*2.

Canada Revenue Agency / Agence du revenu du Canada

Net Income (Loss) for Income Tax Purposes

Schedule 1

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2022-12-31

- Use this schedule to reconcile the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes. For more information, see the T2 Corporation – Income Tax Guide.
- All legislative references are to the Income Tax Act.

Net income (loss) after taxes and extraordinary items from line 9999 of Schedule 125			2,702,000	A
Add:				
Provision for income taxes – current	101	-11,000		
Provision for income taxes – deferred	102	693,000		
Interest and penalties on taxes	103	612		
Amortization of tangible assets	104	3,584,000		
Loss on disposal of assets	111	61,000		
Charitable donations and gifts from Schedule 2	112	1,250		
Scientific research expenditures deducted per financial statements	118	83,023		
Non-deductible meals and entertainment expenses	121	2,073		
Reserves from financial statements – balance at the end of the year	126	142,732		
Subtotal of additions		4,556,690	4,556,690	

Add:

Other additions:

	1 Description 605	2 Amount 295
1	Inducement under 12(1)(x) ITA	8,998,997
2	Customer Deposits - paragraph 20(1)(a)	7,676,000
3	Amortization of Capital Lease	30,000
4	Amortization expensed in distribution expenses	213,148
5	Tax component of gain in OCI	11,709
	Total of column 2	16,929,854

Total of column 2	296	16,929,854		
Subtotal of other additions	199	16,929,854	16,929,854	D
Total additions	500	21,486,544	21,486,544	
Amount A **plus** line 500			24,188,544	B
Deduct:				
Capital cost allowance from Schedule 8	403	4,652,375		
SR&ED expenditures claimed in the year on line 460 from Form T661	411	62,386		
Reserves from financial statements – balance at the beginning of the year	414	162,065		
Subtotal of deductions		4,876,826	4,876,826	

Deduct:

Other deductions:

	1 Description 705	2 Amount 395
1	13(7.4) electon re contributed capital	8,993,156
2	Capital Lease payments	26,000
3	Customer Deposits - paragraph 20(1)(m)	7,676,000
4	Amortization of deferred contribution	1,115,000
5	Tax movement in reg. account	693,000

	1 Description 705	2 Amount 395				
6	SR&ED expenditures capitalized for accounting	83,023				
	Total of column 2	18,586,179	396	18,586,179		
	Subtotal of other deductions		499	18,586,179	18,586,179	E
	Total deductions		510	23,463,005	23,463,005	
	Net income (loss) for income tax purposes (amount B **minus** line 510)				725,539	C

Enter amount C on line 300 of the T2 return.

T2 SCH 1 E (19)

Canada

Attached Schedule with Total

Line 395 – Amount

Title Line 395 – Amount

Description	Operator (Note)	Amount
Per WP "SS.08-1 22" Cost Rec IFRS tab Cell I39		8,996,457 55
Adjustments perWP "SS.08-1 21" Cost Rec IFRS tab cell k39	-	3,302 00
	+	
	Total	8,993,155 55

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula 1+2*3 will not result in the same thing as the formula 1+3*2.

Inducement

This form is used to calculate inducements that a corporation must add to its income under paragraph 12(1)(x) ITA. If an amount reduces the capital cost of a property, this amount will be indicated in Part "Tax credits whose amount should reduce the capital cost of property."

If you want to transfer an amount to Schedule 1 and include it in the corporation's income for tax purposes, select the corresponding check box in column A. You can also select the option **Select this check box to add all the amounts to income calculated in Schedule 1** to transfer all the amounts to Schedule 1. In either case, the column A check box will be selected for that amount and it will therefore be updated to Schedule 1.

Tax credits whose amount should be added to income

Ontario

A		
X	Portion of the Ontario research and development tax credit that relates to the prescribed proxy amount (PPA) and portion of the Ontario investment tax credit that relates to contributions made to SR&ED farming organizations	
X	Ontario co-operative education tax credit	5,841
	Ontario apprenticeship training tax credit	
	Ontario computer animation and special effects tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Ontario film and television tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Ontario production services tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Ontario interactive digital media tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Ontario book publishing tax credit	
	Portion of the Ontario innovation tax credit that relates to the prescribed proxy amount (PPA) and portion of the Ontario investment tax credit that relates to contributions made to SR&ED farming organizations	
	Ontario business-research institute tax credit	
	Ontario community food program donation tax credit for farmers	

Other amounts

A		
X	Contributed capital for fixed assets per WP "SS.08-1 21" Cost Rec IFRS tab Cell I39	8,993,156
	Total	8,993,156

Tax credits whose amount should reduce the capital cost of property

Attached Schedule with Total

Ontario – Portion of the Ontario research and development tax credit that relates to the prescribed proxy amount (PPA) and portion of the Ontario investment ta

Title Ontario – Portion of the Ontario research and development tax credit that rel

Description	Operator (Note)	Amount
ORDTC claimed in PY (Sch.661 line 513b2)		4,365 00
Less: ORDTC claimed PY (Sch.661, line 429b2)	-	4,365 00
	+	
	Total	

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula 1+2*3 will not result in the same thing as the formula 1+3*2.

Attached Schedule with Total

Tax credits whose amount should be added to income – Other amounts

Title Tax credits whose amount should be added to income – Other amounts

Description	Operator (Note)	Amount
Contr cap for fixed assets per WP "SS.08-1 22" Cost Rec IFRS tab cell I39		8,996,457 55
Adjustments perWP "SS.08-1 22" Cost Rec IFRS tab cell k39	-	3,302 00
	+	
	Total	8,993,155 55

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula 1+2*3 will not result in the same thing as the formula 1+3*2.

Canada Revenue Agency / Agence du revenu du Canada

Schedule 2

Charitable Donations and Gifts

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2022-12-31

- For use by corporations to claim any of the following:
  - the eligible amount of charitable donations to qualified donees
  - the Ontario, Nova Scotia, and British Columbia food donation tax credits for farmers
  - the eligible amount of gifts of certified cultural property
  - the eligible amount of gifts of certified ecologically sensitive land or
  - the additional deduction for gifts of medicine made before March 22, 2017
- All legislative references are to the federal Income Tax Act, unless stated otherwise.
- The eligible amount of a gift is the amount by which the fair market value of the gifted property exceeds the amount of an advantage, if any, for the gift.
- The donations and gifts can be carried forward for 5 years except for gifts of certified ecologically sensitive land made after February 10, 2014, which can be carried forward for 10 years.
- Use this schedule to show a transfer of unused amounts from previous years following an amalgamation or the wind-up of a subsidiary as described under subsections 87(1) and 88(1).
- Subsection 110.1(1.2) provides as follows:
  - Where a particular corporation has undergone an acquisition of control, for tax years that end on or after the acquisition of control, no corporation can claim a deduction for a gift made by the particular corporation to a qualified donee before the acquisition of control.
  - If a particular corporation makes a gift to a qualified donee pursuant to an arrangement under which both the gift and the acquisition of control is expected, no corporation can claim a deduction for the gift unless the person acquiring control of the particular corporation is the qualified donee.
- An eligible medical gift made before March 22, 2017, to a qualifying organization for activities outside of Canada may be eligible for an additional deduction. Calculate the additional deduction in Part 5.
- File this schedule with your T2 Corporation Income Tax Return.
- For more information, see the T2 Corporation – Income Tax Guide.

Part 1 – Charitable donations

Charity/Recipient	Amount ($100 or more only)
Canadian Red Cross	1,000
YMCA of Simcoe Muskoka	250
Subtotal	1,250
Add: Total donations of less than $100 each	
Total donations in current tax year	1,250

Part 1 – Charitable donations

	Line	Federal		Québec	Alberta
Charitable donations at the end of the previous tax year			1A		
Charitable donations expired after five tax years*	239				
Charitable donations at the beginning of the current tax year (amount 1A **minus** line 239)	240				
Charitable donations transferred on an amalgamation or the wind-up of a subsidiary	250				
Total charitable donations made in the current year (include this amount on line 112 of Schedule 1, Net Income (Loss) for Income Tax Purposes)	210	1,250		1,250	1,250
Subtotal (line 250 **plus** line 210)		1,250	1B	1,250	1,250
Subtotal (line 240 **plus** amount 1B)		1,250	1C	1,250	1,250
Adjustment for an acquisition of control	255				
Total charitable donations available (amount 1C **minus** line 255)		1,250	1D	1,250	1,250
Amount applied in the current year against taxable income (cannot be more than amount 2H in Part 2) (enter this amount on line 311 of the T2 return)	260	1,250		1,250	1,250
Charitable donations closing balance (amount 1D **minus** line 260)	280				

	Line	Amount	
The amount of qualifying donations for the Ontario community food program donation tax credit for farmers included in the amount on line 260 (for donations made after December 31, 2013)	262		
Ontario community food program donation tax credit for farmers (amount on line 262 **multiplied** by 25 %)			1

Enter amount 1 on line 420 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the Ontario income tax otherwise payable or amount 1. For more information, see section 103.1.2 of the Taxation Act, 2007 (Ontario).

	Line	Amount	
The amount of qualifying donations for the Nova Scotia food bank tax credit for farmers included in the amount on line 260 (for donations made after December 31, 2015)	263		
Nova Scotia food bank tax credit for farmers (amount on line 263 **multiplied** by 25 %)			2

Enter amount 2 on line 570 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the Nova Scotia income tax otherwise payable or amount 2. For more information, see section 50A of the Nova Scotia Income Tax Act.

	Line	Amount	
The amount of qualifying gifts for the British Columbia farmers' food donation tax credit included in the amount on line 260 (for donations made after February 16, 2016, and before January 1, 2024)	265		
British Columbia farmers' food donation tax credit (amount on line 265 **multiplied** by 25 %)			3

Enter amount 3 on line 683 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the British Columbia income tax otherwise payable or amount 3. For more information, see section 20.1 of the British Columbia Income Tax Act.

* For federal and Alberta tax purposes, donations and gifts expire after five tax years. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, expire after five tax years; otherwise, donations and gifts expire after twenty tax years.

Amounts carried forward – Charitable donations

Year of origin:		Federal	Québec	Alberta
1st prior year	2021-12-31			
2nd prior year	2020-12-31			
3rd prior year	2019-12-31			
4th prior year	2018-12-31			
5th prior year	2017-12-31			
6th prior year*	2016-12-31			
7th prior year	2015-12-31			
8th prior year	2014-12-31			
9th prior year	2013-12-31			
10th prior year	2012-12-31			
11th prior year	2011-12-31			
12th prior year	2010-12-31			
13th prior year	2009-12-31			
14th prior year	2008-12-31			
15th prior year	2007-12-31			
16th prior year	2006-12-31			
17th prior year	2005-12-31			
18th prior year	2004-12-31			
19th prior year	2003-12-31			
20th prior year	2002-12-31			
21st prior year*	2001-12-31			
Total (to line A)				

* For federal and Alberta tax purposes, donations and gifts included on line *6th prior year* expire automatically in the current tax year. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, that are included on line *6th prior year* and donations and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Part 2 – Maximum allowable deduction for charitable donations

Net income for tax purposes Note 1 **multiplied** by 75 %			544,154 2A
Taxable capital gains arising in respect of gifts of capital property included in Part 1 Note 2	225		
Taxable capital gain in respect of a disposition of a non-qualifying security under subsection 40(1.01)	227		
The amount of the recapture of capital cost allowance in respect of charitable donations	230		
Proceeds of disposition, **less** outlays and expenses Note 2	2B		
Capital cost Note 2	2C		
Amount 2B or 2C, whichever is less	235		
Amount on line 230 or 235, whichever is less		2D	
Subtotal (**add** lines 225, 227, and amount 2D)		2E	
Amount 2E **multiplied** by 25 %			2F
Subtotal (amount 2A **plus** amount 2F)			544,154 2G
Maximum allowable deduction for charitable donations (enter amount 1D from Part 1, amount 2G, or net income for tax purposes, whichever is the least)			1,250 2H

Note 1: For credit unions, subsection 137(2) states that this amount is before the deduction of payments pursuant to allocations in proportion to borrowing and bonus interest.

Note 2: This amount must be prorated by the following calculation, eligible amount of the gift **divided** by the proceeds of disposition of the gift.

Part 3 – Gifts of certified cultural property

	Line	Federal		Québec	Alberta
Gifts of certified cultural property at the end of the previous tax year			3A		
Gifts of certified cultural property expired after five tax years*	439				
Gifts of certified cultural property at the beginning of the current tax year (amount 3A **minus** line 439)	440				
Gifts of certified cultural property transferred on an amalgamation or the wind-up of a subsidiary	450				
Total gifts of certified cultural property in the current year (include this amount on line 112 of Schedule 1)	410				
Subtotal (line 450 **plus** line 410)			3B		
Subtotal (line 440 **plus** amount 3B)			3C		
Adjustment for an acquisition of control	455				
Amount applied in the current year against taxable income (enter this amount on line 313 of the T2 return)	460				
Subtotal (line 455 **plus** line 460)			3D		
Gifts of certified cultural property closing balance (amount 3C **minus** amount 3D)	480				

* For federal and Alberta tax purposes, donations and gifts expire after five tax years. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, expire after five tax years; otherwise, donations and gifts expire after twenty tax years.

Amount carried forward – Gifts of certified cultural property

Year of origin:		Federal	Québec	Alberta
1st prior year	2021-12-31			
2nd prior year	2020-12-31			
3rd prior year	2019-12-31			
4th prior year	2018-12-31			
5th prior year	2017-12-31			
6th prior year*	2016-12-31			
7th prior year	2015-12-31			
8th prior year	2014-12-31			
9th prior year	2013-12-31			
10th prior year	2012-12-31			
11th prior year	2011-12-31			
12th prior year	2010-12-31			
13th prior year	2009-12-31			
14th prior year	2008-12-31			
15th prior year	2007-12-31			
16th prior year	2006-12-31			
17th prior year	2005-12-31			
18th prior year	2004-12-31			
19th prior year	2003-12-31			
20th prior year	2002-12-31			
21st prior year*	2001-12-31			
Total				

* For federal and Alberta tax purposes, donations and gifts included on line *6th prior year* expire automatically in the current tax year. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, that are included on line *6th prior year* and donations and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Part 4 – Gifts of certified ecologically sensitive land

	Line	Federal		Québec	Alberta
Gifts of certified ecologically sensitive land at the end of the previous tax year			4A		
Gifts of certified ecologically sensitive land expired after 5 tax years, or after 10 tax years for gifts made after February 10, 2014*	539				
Gifts of certified ecologically sensitive land at the beginning of the current tax year (amount 4A **minus** line 539)	540				
Gifts of certified ecologically sensitive land transferred on an amalgamation or the wind-up of a subsidiary	550				
Total current-year gifts of certified ecologically sensitive land (include this amount on line 112 of Schedule 1)	520				
Subtotal (line 550 **plus** line 520)			4B		
Subtotal (line 540 **plus** amount 4B)			4C		
Adjustment for an acquisition of control	555				
Amount applied in the current year against taxable income (enter this amount on line 314 of the T2 return)	560				
Subtotal (line 555 **plus** line 560)			4D		
Gifts of certified ecologically sensitive land closing balance (amount 4C **minus** amount 4D)	580				

* For federal and Alberta tax purposes, donations and gifts made before February 11, 2014, expire after five tax years and gifts made after February 10, 2014, expire after ten tax years. For Québec tax purposes, donations and gifts made during a tax year that ended before March 24, 2006, expire after five tax years; otherwise, donation and gifts expire after twenty tax years.

Amounts carried forward – Gifts of certified ecologically sensitive land

Amount of carried forward gifts made on or after February 11, 2014, in the tax year including this date . . . .

Year of origin:		Federal	Québec	Alberta
1st prior year	2021-12-31			
2nd prior year	2020-12-31			
3rd prior year	2019-12-31			
4th prior year	2018-12-31			
5th prior year	2017-12-31			
6th prior year*	2016-12-31			
7th prior year	2015-12-31			
8th prior year	2014-12-31			
9th prior year	2013-12-31			
10th prior year	2012-12-31			
11th prior year*	2011-12-31			
12th prior year	2010-12-31			
13th prior year	2009-12-31			
14th prior year	2008-12-31			
15th prior year	2007-12-31			
16th prior year	2006-12-31			
17th prior year	2005-12-31			
18th prior year	2004-12-31			
19th prior year	2003-12-31			
20th prior year	2002-12-31			
21st prior year*	2001-12-31			
Total				

* For federal and Alberta tax purposes, donations and gifts made before February 11, 2014, that are included on line *6th prior year* and gifts that are included on line *11th prior year* expire automatically in the current year.

The field "Amount of carried forward gifts made on or after February 11, 2014, in the tax year including this date" is used to distinguish the portion of the gifts made in the tax year straddling February 11, 2014, that expires after ten tax years, from the portion that expires in the current tax year.

For Québec tax purposes, donations and gifts made during a tax year that ended before March 24, 2006, that are included on line *6th prior year* and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Part 5 – Additional deduction for gifts of medicine

	Line	Federal	Québec	Alberta
Additional deduction for gifts of medicine at the end of the previous tax year			5A	
Additional deduction for gifts of medicine expired after five tax years*	639			
Additional deduction for gifts of medicine at the beginning of the current tax year (amount 5A **minus** line 639)	640			
Additional deduction for gifts of medicine made before March 22, 2017 transferred on an amalgamation or the wind-up of a subsidiary	650			

Additional deduction for gifts of medicine made before March 22, 2017:

	Line	Federal	Québec	Alberta
Proceeds of disposition	602			
Cost of gifts of medicine made before March 22, 2017	601			
Subtotal (line 602 **minus** line 601)			5B	
Amount 5B **multiplied** by 50 %			5C	
Eligible amount of gifts	600			

Federal

a ______ x (b ______ / c) = Additional deduction for gifts of medicine made before March 22, 2017 . . . . **610** ______

Québec

a ______ x (b ______ / c) = Additional deduction for gifts of medicine made before March 22, 2017 . . . . ______

Alberta

a ______ x (b ______ / c) = Additional deduction for gifts of medicine made before March 22, 2017 . . . . ______

where:

a is the **lesser** of line 601 and amount 5C

b is the eligible amount of gifts (line 600)

c is the proceeds of disposition (line 602)

	Line	Federal	Québec	Alberta
Subtotal (line 650 **plus** line 610)			5D	
Subtotal (line 640 **plus** amount 5D)			5E	
Adjustment for an acquisition of control	655			
Amount applied in the current year against taxable income (enter this amount on line 315 of the T2 return)	660			
Subtotal (line 655 **plus** line 660)			5F	
Additional deduction for gifts of medicine closing balance (amount 5E **minus** amount 5F)	680			

* For federal and Alberta tax purposes, donations and gifts expire after five tax years. For Québec tax purposes, donations and gifts made in a tax year that ended before March 19, 2007, expire after five tax years; otherwise, donations and gifts expire after twenty tax years.

Amounts carried forward – Additional deduction for gifts of medicine

Year of origin:		Federal	Québec	Alberta
1st prior year	2021-12-31			
2nd prior year	2020-12-31			
3rd prior year	2019-12-31			
4th prior year	2018-12-31			
5th prior year	2017-12-31			
6th prior year*	2016-12-31			
7th prior year	2015-12-31			
8th prior year	2014-12-31			
9th prior year	2013-12-31			
10th prior year	2012-12-31			
11th prior year	2011-12-31			
12th prior year	2010-12-31			
13th prior year	2009-12-31			
14th prior year	2008-12-31			
15th prior year	2007-12-31			
16th prior year	2006-12-31			
17th prior year	2005-12-31			
18th prior year	2004-12-31			
19th prior year	2003-12-31			
20th prior year	2002-12-31			
21st prior year*	2001-12-31			
Total				

* For federal and Alberta tax purposes, donations and gifts included on line *6th prior year* expire automatically in the current tax year. For Québec tax purposes, donations and gifts made in a tax year that ended before March 19, 2007, that are included on line *6th prior year* and donations and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Québec – Gifts of musical instruments

Gifts of musical instruments at the end of the previous tax year		A
Deduct: Gifts of musical instruments expired after twenty tax years		B
Gifts of musical instruments at the beginning of the tax year		C
Add:		
Gifts of musical instruments transferred on an amalgamation or the wind-up of a subsidiary		D
Total current-year gifts of musical instruments		E
Subtotal (line D **plus** line E)		F
Deduct: Adjustment for an acquisition of control		G
Total gifts of musical instruments available		H
Deduct: Amount applied against taxable income (enter this amount on line 255 of form CO-17)		I
Gifts of musical instruments closing balance		J

Amounts carried forward – Gifts of musical instruments

Year of origin:		Québec
1st prior year	2021-12-31	
2nd prior year	2020-12-31	
3rd prior year	2019-12-31	
4th prior year	2018-12-31	
5th prior year	2017-12-31	
6th prior year*	2016-12-31	
7th prior year	2015-12-31	
8th prior year	2014-12-31	
9th prior year	2013-12-31	
10th prior year	2012-12-31	
11th prior year	2011-12-31	
12th prior year	2010-12-31	
13th prior year	2009-12-31	
14th prior year	2008-12-31	
15th prior year	2007-12-31	
16th prior year	2006-12-31	
17th prior year	2005-12-31	
18th prior year	2004-12-31	
19th prior year	2003-12-31	
20th prior year	2002-12-31	
21st prior year*	2001-12-31	
Total		

* These gifts expired in the current year.

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Schedule 3

Dividends Received, Taxable Dividends Paid, and Part IV Tax Calculation

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2022-12-31

- Corporations must use this schedule to report:
  - non-taxable dividends under section 83
  - deductible dividends under subsection 138(6)
  - taxable dividends deductible from income under section 112, subsection 113(2) and paragraphs 113(1)(a), (a.1), (b) or (d)
  - taxable dividends paid in the tax year that qualify for a dividend refund (see page 3)
- All legislative references are to the federal Income Tax Act.
- The calculations in this schedule apply only to private or subject corporations (as defined in subsection 186(3)).
- A payer corporation is **connected** with a recipient corporation at any time in a tax year, if at that time the recipient corporation meets either of the following conditions:
  - it controls the payer corporation, other than because of a right referred to in paragraph 251(5)(b)
  - it owns more than 10% of the issued share capital (with full voting rights), and shares that have a fair market value of more than 10% of the fair market value of all shares of the payer corporation
- If you need more space, continue on a separate schedule.
- File this schedule with your T2 Corporation Income Tax Return.
- Column A1 – Enter "X" if dividends were received from a foreign source.
  Column F1 – Enter the code that applies to the deductible taxable dividend.

Part 1 – Dividends received in the tax year

- Do **not** include dividends received from foreign non-affiliates.
- Complete columns B, C, D, H, H.1, I, I.1, I.2 and L **only if** the payer corporation is **connected**.

Important instructions to follow if the payer corporation is connected

- If your corporation's tax year-end is different than that of the **connected** payer corporation, dividends could have been received from more than one tax year of the payer corporation. If so, **use a separate line** to provide the information according to each tax year of the payer corporation.
- When completing columns J, K and L use the **special calculations provided in the notes**.

	A Name of payer corporation (from which the corporation received the dividend) 200	A1	B Enter 1 if payer corporation is **connected** 205	C Business number of **connected** corporation 210	D Tax year-end of the payer corporation in which the sections 112/113 and subsection 138(6) dividends in column F were paid YYYYMMDD 220	E Non-taxable dividends under section 83 230
1			2			
					Total of column E (enter amount on line 402 of Schedule 1)	

Part 1 – Dividends received in the tax year (continued)

	F Taxable dividends deductible from taxable income under section 112, subsections 113(2) and 138(6), and paragraphs 113(1)(a), (a.1), (b), or (d) [1] **240**	F1	G Eligible dividends included in column F **242**	H Total taxable dividends paid by the **connected** payer corporation (line 460 in Schedule 3 for the tax year in column D) **250**	H.1 Total eligible dividends paid by the **connected** payer corporation (line 465 in Schedule 3 for the tax year in column D)	I Dividend refund of the **connected** payer corporation (for tax year in column D) [2] **260**
1						

	I.1 Eligible dividend refund of the **connected** payer corporation from its eligible refundable dividend tax on hand (ERDTOH) (amount CC from T2 return for the tax year in column D)	I.2 Additional non-eligible dividend refund of the **connected** payer corporation from its ERDTOH (amount II from T2 return for the tax year in column D)	J Part IV tax for eligible dividends. Dividends (from column G) **multiplied** by 38 1/3% [3] **265**	K Part IV tax before deductions. Dividends (from column F) **multiplied** by 38 1/3% [4] **275**	L Part IV tax before deductions on taxable dividends received from **connected** corporations [5] **280**
1					

Total of column L (enter amount on line 2E in Part 2) ______

Taxable dividends received from connected corporations (total amounts from column F with code 1 in column B) . . . . ______ 1A

Taxable dividends received from non-connected corporations (total amounts from column F with code 2 in column B) . . . . ______ 1B

Subtotal (amount 1A **plus** amount 1B, include this amount on line 320 of the T2 return) ______ 1C

Eligible dividends received from connected corporations (total amounts from column G with code 1 in column B) . . . . ______ 1D

Eligible dividends received from non-connected corporations (total amounts from column G with code 2 in column B) . . . . ______ 1E

Part IV tax before deductions on taxable dividends received from connected corporations (total amounts from column K with code 1 in column B) . . . . ______ 1F

Part IV tax before deductions on taxable dividends received from non-connected corporations (total amounts from column K with code 2 in column B) . . . . ______ 1G

Subtotal (amount 1F **plus** amount 1G) ______ ▶ ______ 1H

Part IV tax on eligible dividends received from connected corporations (total amounts from column J with code 1 in column B) . . . . ______ 1I

Part IV tax on eligible dividends received from non-connected corporations (total amounts from column J with code 2 in column B) . . . . ______ 1J

Subtotal (amount 1I **plus** amount 1J) ______ ▶ ______ 1K

Part IV tax before deductions on taxable dividends (other than eligible dividends) (amount 1H **minus** amount 1K) . . . . ______ 1L

1 If taxable dividends are received, enter the amount in column F, but if the corporation is not subject to Part IV tax (such as a public corporation other than a subject corporation as defined in subsection 186(3)), enter "0" in column K (and column J, if applicable). Life insurers are not subject to Part IV tax on subsection 138(6) dividends.

2 If the **connected** payer corporation's tax year ends after the corporation's balance-due day for the tax year (two or three months, as applicable), you have to estimate the payer's dividend refund when you calculate the corporation's Part IV tax payable.

3 For eligible dividends received from **connected** corporations, Part IV tax on dividends is equal to column I **divided** by column H **multiplied** by column G.

4 For taxable dividends received from **connected** corporations, Part IV tax on dividends is equal to column I **divided** by column H **multiplied** by column F.

5 For the purpose of calculating your eligible refundable dividend tax on hand (ERDTOH), Part IV tax on taxable dividends received from **connected** corporations (with a tax year starting after 2018) is equal to the sum of Part IV tax on eligible dividends and non-eligible dividends received from **connected** corporations to the extent that such dividends caused a dividend refund to those corporations from their ERDTOH.

Part IV tax before deductions on taxable dividends received from **connected** corporations for purposes of column L is the sum of (i) and (ii), where

(i) Part IV tax on eligible dividends received from **connected** corporations is equal to amount CC of the **connected** payer corporation (on page 7 of the T2 return) **divided** by line 465 of the **connected** payer corporation, **multiplied** by column G; and

(ii) Part IV tax on non-eligible dividends received from **connected** corporations is equal to amount II of the **connected** payer corporation (on page 7 of the T2 return) **divided** by line 470 of the **connected** payer corporation, **multiplied** by the difference between columns F and G.

Part 2 – Calculation of Part IV tax payable

Part IV tax on dividends received before deductions (amount 1H in part 1) 2A
Part IV.I tax payable on dividends subject to Part IV tax (from line 360 of Schedule 43) 320
Subtotal (amount 2A **minus** line 320) ▶ 2B

Current-year non-capital loss claimed to reduce Part IV tax 330
Non-capital losses from previous years claimed to reduce Part IV tax 335
Current-year farm loss claimed to reduce Part IV tax 340
Farm losses from previous years claimed to reduce Part IV tax 345

Total losses applied against Part IV tax (total of lines 330 to 345) 2C

Amount 2C **multiplied** by 38 1 / 3 % 2D
Part IV tax payable (amount 2B **minus** amount 2D, if negative enter "0") 360
(enter amount on line 712 of the T2 return)

If your tax year begins after 2018, complete the following part to determine the required amount of Part IV taxes payable in order to calculate the eligible refundable dividend tax on hand (ERDTOH) at the end of the tax year.

Part IV tax before deductions on taxable dividends received from connected corporations (total of column L in part 1) 2E
Amount 4A from Schedule 43 .... 2F
Part IV tax payable on taxable dividends received from connected corporations
(amount 2E **minus** amount 2F, if negative enter "0") 2G
(enter at amount L on page 7 of the T2 return)

Part IV tax on eligible dividends received from non-connected corporations (amount 1J in part 1) 2H
Amount 4C from Schedule 43 .... 2I
Part IV tax payable on taxable dividends received from non-connected corporations
(amount 2H **minus** amount 2I, if negative enter "0") 2J
(enter at amount M on page 7 of the T2 return)

Part 3 – Taxable dividends paid in the tax year that qualify for a dividend refund

If your corporation's tax year-end is different than that of the recipient corporation with which you are connected, your corporation could have paid dividends in more than one tax year of the recipient corporation. If so, use a separate line to provide the information according to each tax year of the recipient corporation.

	L Name of recipient corporation with which you are connected 400	M Business number 410	N Tax year-end of recipient corporation in which the dividends in column O were received YYYYMMDD 420	O Taxable dividends paid to recipient corporations with which you are connected 430	P Eligible dividends included in column O 440
1	Town of Innisfil	12194 7188 RC0001	2022-12-31	212,589	
2					
				212,589 (Total of column O)	(Total of column P)

Part 3 – Taxable dividends paid in the tax year that qualify for a dividend refund (continued)

Total taxable dividends paid in the tax year to other than connected corporations			450	
Eligible dividends included in line 450	455			
Total taxable dividends paid in the tax year that qualify for a dividend refund (total of column O **plus** line 450)			460	212,589
Total eligible dividends paid in the tax year (total of column P **plus** line 455)			465	
Total non-eligible taxable dividends paid in the tax year (line 460 **minus** line 465)			470	212,589

Complete this part to determine the following amounts in order to calculate the dividend refund.

Line 465 **multiplied** by 38 1 / 3 % (enter at amount AA on page 7 of the T2 return)		3A
Line 470 **multiplied** by 38 1 / 3 % (enter at amount DD on page 7 of the T2 return)	81,492	3B

Part 4 – Total dividends paid in the tax year

Complete this part **if** the total taxable dividends paid in the tax year that qualify for a dividend refund (line 460) is different from the total dividends paid in the tax year.

Total taxable dividends paid in the tax year for the purposes of a dividend refund (from above)				212,589	
Other dividends paid in the tax year (total of 510 to 540)					
Total dividends paid in the tax year			500	212,589	
Dividends paid out of capital dividend account	510				
Capital gains dividends	520				
Dividends paid on shares described in subsection 129(1.2)	530				
Taxable dividends paid to a controlling corporation that was bankrupt at any time in the year	540				
Subtotal (total of lines 510 to 540)			►		4A
Total taxable dividends paid in the tax year that qualify for a dividend refund (Line 500 **minus** amount 4A)				212,589	4B

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Schedule 5

Tax Calculation Supplementary – Corporations

Corporation's name	Business Number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2022-12-31

- Use this schedule if any of the following apply to your corporation during the tax year:
  - it had a permanent establishment in more than one jurisdiction (corporations that have no taxable income should only complete columns A, B, and D in Part 1)
  - it is claiming provincial or territorial tax credits or rebates (see Part 2)
  - it has to pay taxes, other than income tax, for Newfoundland and Labrador or Ontario (see Part 2)
- All legislative references are to the federal Income Tax Regulations (the Regulations).
- For more information, see the T2 Corporation – Income Tax Guide.
- For the regulation number to be entered in field 100 of Part 1, see the chart below.

Part 1 – Allocation of taxable income

100 ____________ Enter the regulation that applies (402 to 413)

A Jurisdiction. Tick yes if your corporation had a permanent establishment in the jurisdiction during the tax year Note 1		B Total salaries and wages paid in jurisdiction	C (B x taxable income) / G	D Gross revenue attributable to jurisdiction	E (D x taxable income) / H	F Allocation of taxable income (C + E) x 1/2 Note 2 (where either G or H is nil, do not multiply by 1/2)
Newfoundland and Labrador	003 Yes ☐	103		143		
Newfoundland and Labrador Offshore	004 Yes ☐	104		144		
Prince Edward Island	005 Yes ☐	105		145		
Nova Scotia	007 Yes ☐	107		147		
Nova Scotia Offshore	008 Yes ☐	108		148		
New Brunswick	009 Yes ☐	109		149		
Quebec	011 Yes ☐	111		151		
Ontario	013 Yes ☐	113		153		
Manitoba	015 Yes ☐	115		155		
Saskatchewan	017 Yes ☐	117		157		
Alberta	019 Yes ☐	119		159		
British Columbia	021 Yes ☐	121		161		
Yukon	023 Yes ☐	123		163		
Northwest Territories	025 Yes ☐	125		165		
Nunavut	026 Yes ☐	126		166		
Outside Canada	027 Yes ☐	127		167		
Total		129 G		169 H		

Note 1: **Permanent establishment** is defined in subsection 400(2).
Note 2: For corporations other than those described under section 402, use the appropriate calculation described in the Regulations to allocate taxable income.

Notes:
1. After determining the allocation of taxable income, you have to calculate the corporation's provincial or territorial tax payable. For more information on how to calculate the tax for each province or territory, see the instructions for Schedule 5 in the T2 Corporation – Income Tax Guide.
2. If your corporation has provincial or territorial tax payable, complete Part 2.
3. If your corporation is a member of a partnership and the partnership had a permanent establishment in a jurisdiction, select the jurisdiction in Column A and include your proportionate share of the partnership's salaries and wages and gross revenue in columns B and D, respectively.

Part 2 – Ontario tax payable, tax credits, and rebates

Total taxable income	Income eligible for small business deduction	Provincial or territorial allocation of taxable income	Provincial or territorial tax payable before credits
724,289		724,289	83,293

Ontario basic income tax (from Schedule 500)	270	83,293		
Ontario small business deduction (from Schedule 500)	402			
Subtotal (line 270 **minus** line 402)		83,293	83,293	5A
Ontario transitional tax debits (from Schedule 506)	276			
Recapture of Ontario research and development tax credit (from Schedule 508)	277			
Subtotal (line 276 **plus** line 277)				5B
Gross Ontario tax (amount 5A **plus** amount 5B)			83,293	5C
Ontario resource tax credit (from Schedule 504)	404			
Ontario tax credit for manufacturing and processing (from Schedule 502)	406			
Ontario foreign tax credit (from Schedule 21)	408			
Ontario credit union tax reduction (from Schedule 500)	410			
Ontario political contributions tax credit (from Schedule 525)	415			
Ontario non-refundable tax credits (total of lines 404 to 415)				5D
Subtotal (amount 5C **minus** amount 5D) (if negative, enter "0")			83,293	5E
Ontario research and development tax credit (from Schedule 508)	416		3,290	
Ontario corporate income tax payable before Ontario corporate minimum tax credit and Ontario community food program donation tax credit for farmers (amount 5E **minus** line 416) (if negative, enter "0")			80,003	5F
Ontario corporate minimum tax credit (from Schedule 510)	418		7,346	
Ontario community food program donation tax credit for farmers (from Schedule 2)	420			
Ontario corporate income tax payable (amount 5F **minus** the total of lines 418 and 420) (if negative, enter "0")			72,657	5G
Ontario corporate minimum tax (from Schedule 510)	278			
Ontario special additional tax on life insurance corporations (from Schedule 512)	280			
Subtotal (line 278 **plus** line 280)				5H
Total Ontario tax payable before refundable tax credits (amount 5G **plus** amount 5H)			72,657	5I
Ontario qualifying environmental trust tax credit	450			
Ontario co-operative education tax credit (from Schedule 550)	452	3,000		
Ontario apprenticeship training tax credit (from Schedule 552)	454			
Ontario computer animation and special effects tax credit (from Schedule 554)	456			
Ontario film and television tax credit (from Schedule 556)	458			
Ontario production services tax credit (from Schedule 558)	460			
Ontario interactive digital media tax credit (from Schedule 560)	462			
Ontario book publishing tax credit (from Schedule 564)	466			
Ontario innovation tax credit (from Schedule 566)	468			
Ontario business-research institute tax credit (from Schedule 568)	470			
Ontario regional opportunities investment tax credit (from Schedule 570)	472			
Ontario refundable tax credits (total of lines 450 to 472)		3,000	3,000	5J
Net Ontario tax payable or refundable tax credit (amount 5I **minus** amount 5J) (if a credit, enter amount in brackets) Include this amount on line 255.	290		69,657	

Summary

Enter the total net tax payable or refundable tax credits for all provinces and territories on line 255.

Net provincial and territorial tax payable or refundable tax credits 255 69,657

If the amount on line 255 is positive, enter the net provincial and territorial tax payable on line 760 of the T2 return.
If the amount on line 255 is negative, enter the net provincial and territorial refundable tax credits on line 812 of the T2 return.

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Schedule 7

Aggregate Investment Income and Income Eligible for the Small Business Deduction

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2022-12-31

- Use this schedule if you are a Canadian-controlled private corporation (CCPC) to calculate:
  - your aggregate investment income and foreign investment income, as defined in subsection 129(4), to determine the refundable portion of Part I tax, and your adjusted aggregate investment income, as defined in subsection 125(7), for the purpose of the business limit reduction
  - your **specified partnership income**, as defined in subsection 125(7), if you are a member (or **designated member**) of one or more partnerships, and
  - your income from an active business carried on in Canada eligible for the small business deduction including any **specified corporate income** as defined in subsection 125(7)
- Use this schedule if another CCPC is making an assignment of **business limit** under subsection 125(3.2) to you.
- Use this schedule if you are a member of a partnership to assign **specified partnership business limit** to a **designated member** under subsection 125(8).

  Note: If you are an individual, a trust, or a corporation that is not a CCPC, **only** complete Table 1 (columns A1, B1, C1, G1, H1 and J1) and Table 3 to make this assignment. Individuals and trusts can attach the pages with these completed tables to their respective tax returns.
- The adjusted aggregate investment income, for the purpose of the business limit reduction, also applies to a tax year of a corporation that begins before 2019 and ends after 2018 under the following circumstances:
  - the corporation's preceding tax year was, because of a transaction or event or a series of transactions or events, shorter than it would have been in the absence of that transaction, event or series, and
  - one of the reasons for the transaction, event or series was to defer the application of subsections 125(5.1), (5.2) and (7) to the corporation
- All legislative references are to the federal Income Tax Act.
- For more information, see **Small Business Deduction** and **Refundable Portion of Part I Tax** in Guide T4012, T2 Corporation – Income Tax Guide.

Part 1 – Aggregate investment income

Aggregate investment income is all **world** source income.

Description	Line	Amount		Line	Amount	
Eligible portion of taxable capital gains for the year				002		
Eligible portion of allowable capital losses for the year (including allowable business investment losses)	012					
Net capital losses of previous years claimed on line 332 on the T2 return	022					
Subtotal (line 012 **plus** line 022)			►			A
Line 002 **minus** amount A (if negative, enter "0")						B
Total income from property (include income from a specified investment business carried on in Canada other than income from a source outside Canada)	032	78,000				
Exempt income	042					
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for the year	052					
Taxable dividends deductible (total of column F on Schedule 3 **minus** related expenses)	062					
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)	072					
Subtotal (**add** lines 042, 052, 062 and 072)			►			C
Subtotal (line 032 **minus** amount C)		78,000	►		78,000	D
Amount B **plus** amount D					78,000	E
Total losses from property (include losses from a specified investment business carried on in Canada other than a loss from a source outside Canada)				082	1,342,000	
Amount E **minus** line 082 (if negative, enter "0") (enter on line 440 of the T2 return)				092		

Part 2 – Adjusted aggregate investment income

Eligible portion of taxable capital gains for the year (other than taxable capital gains from the disposition of an active asset note 13)			705	
Eligible portion of allowable capital losses for the year (including allowable business investment losses) (other than allowable capital losses from the disposition of an active asset note 13)			710	
Subtotal (line 705 **minus** line 710) (if negative, enter "0")				F
Total income from property note 14		715	78,000	
Exempt income	720			
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for the year	725			
Dividends from connected corporations	730			
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)	735			
Subtotal (**add** lines 720, 725, 730 and 735)		▶	G	
Subtotal (line 715 **minus** amount G)			78,000 ▶	78,000 H
Amount F **plus** amount H				78,000 I
Total losses from property note 14			740	1,342,000
Amount, if any, deducted under subsection 91(4) in computing the corporation's income for the year			741	
Adjusted aggregate investment income (amount I **minus** line 740, **plus** line 741) (if negative, enter "0")			745	

If this is your first tax year starting after 2018, complete the following portion.

Eligible portion of taxable capital gains for each tax year that ended in the preceding calendar year (other than taxable capital gains from the disposition of an active asset note 13)			2A
Eligible portion of allowable capital losses for each tax year that ended in the preceding calendar year (including allowable business investment losses)(other than allowable capital losses from the disposition of an active asset note 13)			2B
Subtotal (amount 2A **minus** amount 2B) (if negative, enter "0")			2C
Total income from property for each tax year that ended in the preceding calendar year note 14		2D	
Exempt income for each tax year that ended in the preceding calendar year	2E		
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for each tax year that ended in the preceding calendar year	2F		
Dividends from connected corporations for each tax year that ended in the preceding calendar year	2G		
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a) for each tax year that ended in the preceding calendar year	2H		
Subtotal (**add** amounts 2E, 2F, 2G and 2H)	▶	2I	
Subtotal (amount 2D **minus** amount 2I)		▶	2J
Amount 2C **plus** amount 2J			2K
Total losses from property for each tax year that ended in the preceding calendar year note 14			2L
Amount, if any, deducted under subsection 91(4) in computing the corporation's income for each tax year that ended in the preceding calendar year			742
Adjusted aggregate investment income (amount 2K **minus** amount 2L, **plus** line 742) (if negative, enter "0")			744

(enter the total of line 744 and the adjusted aggregate investment income of all associated corporations on line 417 of the T2 return)

Part 3 – Foreign investment income

Foreign investment income is all income from sources **outside Canada**.

Eligible portion of taxable capital gains for the year			001		
Eligible portion of allowable capital losses for the year (including allowable business investment losses)			009		
Subtotal (line 001 **minus** line 009) (if negative, enter "0")					J
Total income from property from a source **outside Canada** (net of related expenses)		019			
Exempt income	029				
Taxable dividends deductible (total of column F on Schedule 3 **minus** related expenses)	049				
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)	059				
Subtotal (**add** lines 029, 049, and 059)		►	K		
Subtotal (line 019 **minus** amount K)			►		L
Amount J **plus** amount L					M
Total losses from property from a source **outside Canada**			069		
Amount M **minus** line 069 (if negative, enter "0") (enter on line 445 of the T2 return)			079		

Part 3A – Canadian and foreign investment income and adjusted aggregate investment income calculation

	A Canadian investment income	B Foreign investment income	C Adjusted aggregate investment income*	
Eligible portion of the taxable capital gains for the year before taking into account the capital gains reserves (federal) of Schedule 13*				1.1
Eligible portion of capital gains reserves (addition/deduction)*, **				1.2
Taxable capital gains under section 34.2 (line 275 on Schedule 73)**				1.3
Eligible portion of the taxable capital gains for the year (**add** amounts 1.1, 1.2, and 1.3)				1
Eligible portion of allowable capital losses for the year (including allowable business investment losses)*				2.1
Net capital losses of previous years (line 332 on the T2 return)				2.2
Allowable capital losses under section 34.2 (line 285 of Schedule 73)**				2.3
Allowable capital losses for the year (**add** amounts 2.1, 2.2 and 2.3)				2
Amount 1 **minus** amount 2 (if negative, enter "0")				3
Taxable dividends				4.1
Rental property income (under regulation 1100(11))				4.2
Other property income*	78,000		78,000	4.3
Property income under section 34.2 (line 280 of Schedule 73)**				4.4
Total property income (**add** amounts 4.1, 4.2, 4.3 and 4.4)	78,000		78,000	4
Exempt income				5.1
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for the year				5.2
Taxable dividends deductible (total of column F on Schedule 3 **minus** related expenses)*				5.3
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)				5.4
Add amounts 5.1, 5.2, 5.3 and 5.4				5
Amount 4 **minus** amount 5	78,000		78,000	6
Amount 3 **plus** amount 6	78,000		78,000	7
Rental property losses (under regulation 1100(11))				8.1
Dividend losses				8.2
Other property losses*	1,342,000		1,342,000	8.3
Property losses under section 34.2 (line 280 of Schedule 73)**				8.4
Total property losses (**add** amounts 8.1, 8.2, 8.3 and 8.4)	1,342,000		1,342,000	8
Amount 7 **minus** amount 8 (if negative, enter "0")				9
Amount, if any, deducted under subsection 91(4) in computing the corporation's income for the year				10
Amount 7 **minus** amount 8 **plus** amount 10 (if negative, enter "0")				11

* To calculate the adjusted aggregate investment income under column C:

- On lines 1.1, 1.2, 1.3, 2.1 and 2.3, only capital gains and losses resulting from the disposition of property other than an active asset (as defined under subsection 125(7) ITA) are to be taken into account.
- On line 4.3, include amounts in respect of a life insurance policy that are included in computing the corporation's income for the year (even if those amounts are not included in the calculation of the corporation's investment income in column A and B) as well as the income from a specified foreign investment business.
- On line 5.3, only the dividends received from a connected corporation should be included.
- On line 8.3, include the loss from a specified foreign investment business.

For more information on the calculation of the adjusted aggregate investment income, consult notes 13 and 14 at the end of this form as well as the Help (F1).

** When an amount is entered on these lines in column B, it reduces the corresponding amount in column A. For more information, consult the Help (F1).

Net taxable dividends		Canadian	Foreign	Total
Taxable dividends deducted per Schedule 3				
Less: Expenses related to such dividends	A*			
Total expenses				
Net taxable dividends				

* Column A – Enter an “X” if the expense is related to a dividend received from a connected corporation.

Part 4 – Specified partnership income

Table 1 – Specified partnership income

A	A1	1A
Is the corporation a designated member of the partnership?	Partnership name **200**	Partnership's account number
Yes / No		

B1	C1	D1	1D	2D	E1	F1
Total income (loss) of partnership from an active business **300**	Your share of amount in column B1 **310**	Income of the corporation from providing (directly or indirectly) services or property to the partnership **311**	Prorated amounts calculated under section 34.2 note 1	Expenses the corporation incurred to earn partnership income	Adjustments (column 1D **minus** column 2D) **315**	Corporation's income (loss) in respect of the partnership note 2 (**add** columns C1, D1 and E1) **320**

Total **350**

G1	H1	I1	J1	K1	L1	M1
Number of days in the partnership's fiscal period note 15 **325**	Prorated business limit notes 2 and 3 (column C1 ÷ column B1) × [$ 500 000 × (column G1 ÷ 365)] (if column C1 is negative, enter "0") **330**	Specified partnership business limit **assigned to you** (from H2 in Table 2) note 5 **335**	Specified partnership business limit **assigned by you** from F3 in Table 3) note 6 **336**	Specified partnership business limit amount (column H1 **plus** column I1 **minus** column J1)	Column F1 **minus** column K1 (if negative, enter "0")	Lesser of columns F1 and K1 (if column F1 is negative, enter "0") note 4 **340**

Total **385** Total **360**

Corporation's losses for the year from an active business carried on in Canada (other than as a member of a partnership) – enter as a positive amount . . . . **370** ______

Specified partnership loss of the corporation for the year – enter as a positive amount (total of all negative amounts in column F1) . . . . **380** ______

Subtotal (line 370 **plus** line 380) ______ N

Amount at line 385 or amount N, whichever is less . . . . **390** ______

Specified partnership income (line 360 **plus** line 390) . . . . **400** ______
(enter at amount R in Part 5)

Part 4 – Specified partnership income (continued)

Tables 2 and 3 are used to make an assignment of **specified partnership business limit** under subsection 125(8). A person that is a member of a partnership can make an assignment of **specified partnership business limit** under subsection 125(8) to a **designated member**.

If you are a CCPC that is a designated member and **receiving** specified partnership business limit from a person that is a member of the partnership, complete Table 2.

If you are a member of the partnership and are **assigning** specified partnership business limit to a designated member, complete Table 3.

Table 2 – A member is assigning to you specified partnership business limit under subsection 125(8)

A2	2A	B2
Partnership name 405	Partnership's account number	Name of the member 406

C2	D2	E2	F2	G2	H2
Business number of the member (if applicable) 410	Social insurance number of the member (if applicable) 411	Trust account number of the member (if applicable) 412	Tax year start of the member (YYYYMMDD) 415	Tax year-end of the member (YYYYMMDD) 416	Specified partnership business limit assigned to you by the member note 7 420

Table 3 – You are assigning to a designated member (CCPC) specified partnership business limit under subsection 125(8)

A3	3A	B3
Partnership name 425	Partnership's account number	Name of the designated member 426

C3	D3	E3	F3
Business number of the designated member 430	Tax year start of the designated member (YYYYMMDD) 435	Tax year-end of the designated member (YYYYMMDD) 436	Specified partnership business limit assigned by you to the designated member note 8 440

Part 5 – Partnership income not eligible for the small business deduction

Corporation's income from active businesses carried on in Canada as a member or designated member of a partnership (after deducting related expenses) – from line 350 in Part 4 (if the net amount is negative, enter "0" on line 450) . . . . ______ O

Specified partnership loss (from line 380 in Part 4) . . . . ______ P

Subtotal (amount O **plus** amount P) ______ Q

Specified partnership income (from line 400 in Part 4) . . . . ______ R

Partnership income not eligible for the small business deduction (amount Q **minus** amount R) . . . . 450 ______
(enter at amount Z in Part 6)

Part 6 – Income eligible for the small business deduction

Net income for income tax purposes from line 300 of the T2 return		725,539	S		
Allowable business investment loss from line 406 of Schedule 1			T		
Subtotal (amount S **plus** amount T)		725,539	▶	725,539	U
Foreign business income after deducting related expenses note 9	**500**				
Taxable capital gains from line 113 of Schedule 1			V		
Net property income (line 032 note 10 **minus** the total of lines 042, 052 and 082 note 9 in Part 1)		-1,264,000	W		
Personal services business income after deducting related expenses note 9	e1				
Other income after deducting related expenses note 9	e2				
Subtotal (amount e1 **plus** amount e2) note 9 ▶	**520**				
Subtotal (**add** line 500, amount V, amount W and line 520)		-1,264,000	▶	-1,264,000	X
Net amount (amount U **minus** amount X)				1,989,539	Y
Partnership income not eligible for the small business deduction (line 450 in Part 5)			Z		
Partnership income allocated to your corporation under subsection 96(1.1)	**530**				
Income referred to in clause 125(1)(a)(i)(C)	**540**				
Income referred to in clause 125(1)(a)(i)(B) (from line 615 in Part 7)			AA		
Subtotal (**add** amount Z, line 530, line 540 and amount AA)			▶		BB
Specified corporate income (from line 625 in Part 7)					CC
Income eligible for the small business deduction (amount Y **minus** amount BB, **plus** amount CC) (enter amount DD on line 400 of the T2 return - if negative, enter "0")				1,989,539	DD

Part 7 – Specified corporate income and assignment under subsection 125(3.2)

	1EE Name of the corporation	EE Business number of the corporation **600**	FF Income described under clause 125(1)(a)(i)(B) received from the corporation identified in column EE note 11 **610**	GG Business limit assigned from the corporation identified in column EE note 12 **620**
1				
			Total **615**	Total **625**

See the privacy notice on your return.

Notes

1. Do **not** include expenses that were deducted in computing the income of the corporation in column D1.

   In general, amounts included under subsections 34.2(2) and 34.2(3) or claimed under subsection 34.2(4) are deemed to have the **same character** and be in the **same proportions** as the partnership income they relate to. For example, if a corporation receives $100,000 of partnership income for the partnership's fiscal period ending in its tax year, and that income is made up of $40,000 of active business income, $30,000 of income from property, and $30,000 as a taxable capital gain, the corporation's adjusted stub period accrual (ASPA) in respect of the partnership would be 40% active business income, 30% property income, and 30% taxable capital gains. Add or deduct only the portion of the following amounts that are characterized as **active business income** in accordance with subsection 34.2(5):

   Add:
   – the ASPA under subsection 34.2(2) (column 4 of Schedule 73)
   – the income inclusion for a new corporate member of a partnership under subsection 34.2(3) (column 6 of Schedule 73)

   Deduct:
   – the previous-year ASPA under subsection 34.2(4) (column 5 of Schedule 73)
   – the previous-year income inclusion for a new corporate member of a partnership under subsection 34.2(4) (column 7 of Schedule 73)
2. When a partnership carries on more than one business, one of which generates income and another of which realizes a loss, the loss is **not** netted against the partnership's income when calculating the prorated business limit (column H1). Enter on line 380 the total of all losses from column F1.
3. **If** you are a **designated member** of the partnership, enter "0".
4. You must enter "0" **if** the partnership provides services or property to either:

   (A) a private corporation (directly or indirectly in any manner whatever) in the year, if:
   - you (or one of your shareholders) or a person that does **not** deal at arm's length with you (or one of your shareholders) holds a direct or indirect interest in the private corporation, and
   - it is not the case that all or substantially all of the partnership's income for the year from an active business is from providing services or property to
     – persons (other than the private corporation) that deal at arm's length with the partnership and each person that holds a direct or indirect interest in the partnership, or
     – partnerships with which the partnership deals at arm's length, other than a partnership in which a person that does **not** deal at arm's length with you holds a direct or indirect interest, or

   (B) a particular partnership (directly or indirectly in any manner whatever) in the year, if:
   - you (or one of your shareholders) do **not** deal at arm's length with the particular partnership or a person that holds a direct or indirect interest in the particular partnership, and
   - it is not the case that all or substantially all of the partnership's income for the year from an active business is from providing services or property to
     – persons that deal at arm's length with the partnership and each person that holds a direct or indirect interest in the partnership, or
     – partnerships (other than the particular partnership) with which the partnership deals at arm's length, other than a partnership in which a person that does **not** deal at arm's length with you holds a direct or indirect interest.
5. If you are a CCPC that is a **designated member** receiving an assignment of **specified partnership business limit,** complete Table 2 to determine the amounts to enter in Table 1 column I1.
6. If you are a **member** of the partnership and you are assigning **specified partnership business limit**, complete Table 3 to determine the amounts to enter in Table 1 column J1.
7. Add the amounts in column H2 that are for the same partnership and enter it in Table 1 column I1, in the row of the applicable partnership.
8. Add the amounts in column F3 that are for the same partnership and enter it in Table 1 column J1, in the row of the applicable partnership. This amount **cannot** be higher than the amount of prorated business limit you would otherwise be entitled to in Table 1 column H1 for that partnership.
9. If negative, enter amount in brackets, and **add** instead of subtracting.
10. Net of related expenses.
11. This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts, each of which is your income from an active business for the year from providing services or property to a private corporation (directly or indirectly, in any manner whatever) if

    (A) at any time in the year, you (or one of your shareholders) or a person that does not deal at arm's length with you (or one of your shareholders) holds a direct or indirect interest in the private corporation, and

    (B) it is not the case that all or substantially all of your income for the year from an active business is from providing services or property to
      (I) persons (other than the private corporation) with which you deal at arm's length, or
      (II) partnerships with which you deal at arm's length, other than a partnership in which a person that does not deal at arm's length with you holds a direct or indirect interest.

    Do **not** include specified farming or fishing income. If the conditions described in subsection 125(10) are met, do not include income from an associated corporation.
12. The amount of business limit that a CCPC can assign to you cannot be greater than the amount in column FF that is from providing services or property **directly** to that CCPC. If there is an amount included in column FF that is deductible by that CCPC in respect of the amount of its income referred to in clause 125(1)(a)(i)(A) or (B) for its tax year, you need to deduct it from column FF for the purpose of determining the amount that can be assigned to you.

Notes (continued)

13. Active asset, of a particular corporation at any time, means property that is:
    (A) used at that time principally in an active business carried on primarily in Canada by the particular corporation or by a Canadian-controlled private corporation that is related to the particular corporation,
    (B) a share of the capital stock of another corporation if, at that time,
    - the other corporation is connected with the particular corporation (within the meaning assigned by subsection 186(4) on the assumption that the other corporation is at that time a payer corporation within the meaning of that subsection), and
    - the share would be a qualified small business corporation share (as defined in subsection 110.6(1)) if:
      – the references in that definition to an "individual" were references to the particular corporation, and
      – that definition were read without reference to "the individual's spouse or common-law partner", or

    (C) an interest in a partnership, if:
    - at that time, the fair market value of the particular corporation's interest in the partnership is equal to or greater than 10% of the total fair market value of all interests in the partnership,
    - throughout the 24-month period ending before that time, more than 50% of the fair market value of the property of the partnership was attributable to property described in this paragraph or in paragraph (A) or (B), and
    - at that time, all or substantially all of the fair market value of the property of the partnership was attributable to property described in this paragraph or in paragraph (A) or (B).
14. Income or loss from property of a particular corporation, for the purposes of calculating the corporation's adjusted aggregate investment income, includes income or loss from a specified investment business, as well as all amounts in respect of a life insurance policy that are included in computing the corporation’s income for the year (even if those amounts were not included in the computation of the corporation’s aggregate investment income in Part 1).
15. The maximum number of days that can be entered in column G1 for a partnership's fiscal period is 365, it is not adjusted for a leap year.

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Schedule 8

Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2022-12-31

For more information, see the section called "Capital Cost Allowance" in the T2 Corporation Income Tax Guide.

Is the corporation electing under Regulation 1101(5q)? **101** Yes ☐ No ☒

Part 1 – Agreement between associated eligible persons or partnerships (EPOPs)

Are you associated in the tax year with one or more EPOPs with which you have entered into an agreement under subsection 1104(3.3) of the Regulations? . . . . **105** Yes ☒ No ☐

If you answered **yes**, complete Part 1. Otherwise, go to Part 2.

Enter a percentage assigned to each associated EPOP (including your corporation) as determined in the agreement.

This percentage will be used to allocate the immediate expensing limit. The total of all the percentages assigned under the agreement should not exceed 100%. If the total is more than 100%, then the associated group has an immediate expensing limit of nil. For more information about the immediate expensing limit, see note 12 in Part 2.

	1 Name of EPOP **110**	2 Identification number See **note 1** **115**	3 Percentage assigned under the agreement **120**
1.	InnPower Corporation	892422817RC0001	95.000
2.	Innservices Utilities Inc.	816897326RC0001	
3.	Town of Innisfil	NR	
4.	Innterprises Inc.	865564595RC0001	5.000
		Total	100.000

Immediate expensing limit allocated to the corporation (see **note 2**) **125** 1,425,000

Note 1: The identification number is the social insurance number, business number, or partnership account number of the EPOP.

Note 2: If the total of column 3 is more than 100%, enter 0.

Part 2 – CCA calculation

	1 Class number See **note 3** 200	Description	2 Undepreciated capital cost (UCC) at the beginning of the year 201	3 Cost of acquisitions during the year (new property must be available for use) See **note 4** 203	4 Cost of acquisitions from column 3 that are designated immediate expensing property (DIEP) See **note 5** 232	5 Adjustments and transfers See **note 6** 205	6 Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition See **note 7** 221	7 Amount from column 5 that is repaid during the year for a property, subsequent to its disposition See **note 8** 222	8 Proceeds of dispositions See **note 9** 207
1.	1	Buildings	18,775,116						0
2.	8	Equipment and tools	1,017,466	351,079	351,079				0
3.	10	Rolling stock and vehicles	197,280	48,945	48,945				0
4.	45	Computer equipment and software	14						0
5.	47	Electrical energy distribution	29,496,512	3,346,593					134,000
6.	50	Computer equipment	85,112	405,768	405,768				0
7.	14.1		151,958						0
8.	1b	Building	287,790	143,855					0
9.	95	WIP	3,807,000	2,201,000	2,201,000				0
		Totals	53,818,248	6,497,240	3,006,792				134,000

	1 Class number	Description	9 Proceeds of dispositions of the DIEP (enter amount from column 8 that relates to the DIEP reported in column 4) 234	10 UCC (column 2 **plus** column 3 **plus** or **minus** column 5 **minus** column 8) See **note 10**	11 UCC of the DIEP (enter the UCC amount that relates to the DIEP reported in column 4) See **note 11** 236	12 Immediate expensing See **note 12** 238	13 Cost of acquisitions on remainder of Class (column 3 **minus** column 4 **plus** column 11 **minus** column 12)	14 Cost of acquisitions from column 13 that are accelerated investment incentive properties (AIIP) or properties included in Classes 54 to 56 See **note 13** 225	15 Remaining UCC (column 10 **minus** column 12) (if negative, enter "0")	16 Proceeds of disposition available to reduce the UCC of AIIP and property included in Classes 54 to 56 (column 8 **minus** column 9 **plus** column 6 **minus** column 13 **plus** column 14 **minus** column 7) (if negative, enter "0") See **note 14**
1.	1	Buildings		18,775,116					18,775,116	
2.	8	Equipment and tools		1,368,545	351,079	351,079			1,017,466	
3.	10	Rolling stock and vehicles		246,225	48,945	48,945			197,280	
4.	45	Computer equipment and software		14					14	
5.	47	Electrical energy distribution		32,709,105			3,346,593	3,346,593	32,709,105	134,000
6.	50	Computer equipment		490,880	405,768	405,768			85,112	
7.	14.1			151,958					151,958	
8.	1b	Building		431,645			143,855	143,855	431,645	

	1 Class number	Description	9 Proceeds of dispositions of the DIEP (enter amount from column 8 that relates to the DIEP reported in column 4) 234	10 UCC (column 2 **plus** column 3 **plus** or **minus** column 5 **minus** column 8) See **note 10**	11 UCC of the DIEP (enter the UCC amount that relates to the DIEP reported in column 4) See **note 11** 236	12 Immediate expensing See **note 12** 238	13 Cost of acquisitions on remainder of Class (column 3 **minus** column 4 **plus** column 11 **minus** column 12)	14 Cost of acquisitions from column 13 that are accelerated investment incentive properties (AIIP) or properties included in Classes 54 to 56 See **note 13** 225	15 Remaining UCC (column 10 **minus** column 12) (if negative, enter "0")	16 Proceeds of disposition available to reduce the UCC of AIIP and property included in Classes 54 to 56 (column 8 **minus** column 9 **plus** column 6 **minus** column 13 **plus** column 14 **minus** column 7) (if negative, enter "0") See **note 14**
9.	95	WIP		6,008,000	2,201,000		2,201,000	2,201,000	6,008,000	
		Totals		60,181,488	3,006,792	805,792	5,691,448	5,691,448	59,375,696	134,000

Part 2 – CCA calculation (continued)

	1 Class number	Description	17 Net capital cost additions of AIIP and property included in Classes 54 to 56 acquired during the year (column 14 **minus** column 16) (if negative, enter "0")	18 UCC adjustment for AIIP and property included in Classes 54 to 56 acquired during the year (column 17 **multiplied** by the relevant factor) See **note 15**	19 UCC adjustment for property acquired during the year other than AIIP and property included in Classes 54 to 56 (0.5 **multiplied** by the result of column 13 **minus** column 14 **minus** column 6 **plus** column 7 **minus** column 8 **plus** column 9) (if negative, enter "0") See **note 16** 224	20 CCA rate % See **note 17** 212	21 Recapture of CCA See **note 18** 213	22 Terminal loss See **note 19** 215	23 CCA (for declining balance method, the result of column 15 **plus** column 18 **minus** column 19, **multiplied** by column 20, or a lower amount, **plus** column 12) See **note 20** 217	24 UCC at the end of the year (column 10 **minus** column 23) 220
1.	1	Buildings				4	0	0	751,005	18,024,111
2.	8	Equipment and tools				20	0	0	554,572	813,973
3.	10	Rolling stock and vehicles				30	0	0	108,129	138,096
4.	45	Computer equipment and software				45	0	0	6	8
5.	47	Electrical energy distribution	3,212,593	1,606,297		8	0	0	2,745,232	29,963,873
6.	50	Computer equipment				55	0	0	452,580	38,300
7.	14.1					5	0	0	10,637	141,321
8.	1b	Building	143,855	71,928		6	0	0	30,214	401,431
9.	95	WIP	2,201,000	1,100,500		0	0	0		6,008,000
		Totals	5,557,448	2,778,725					4,652,375	55,529,113

Enter the total of column 21 on line 107 of Schedule 1.
Enter the total of column 22 on line 404 of Schedule 1.
Enter the total of column 23 on line 403 of Schedule 1.

Note 3: If a class number has not been provided in Schedule II of the Income Tax Regulations for a particular class of property, use the subsection provided in Regulation 1101.

Note 4: Include any property acquired in previous years that has now become available for use, net of any government assistance received or entitled to be received in the year from a government, municipality or other public authority, or a reduction of capital cost after the application of section 80. This property would have been previously excluded from column 3. List separately any acquisitions of property in the class that are not subject to the 50% rule. See Income Tax Folio S3-F4-C1, General Discussion of Capital Cost Allowance, for exceptions to the 50% rule.

Note 5: A DIEP reported in column 4 is a property acquired after April 18, 2021, by a corporation that was a Canadian-controlled private corporation (CCPC) throughout the year, which became available for use in the tax year (before 2024) and was designated as such on or before the day that is 12 months after the filing-due date for the tax year to which the designation relates. It includes all capital property subject to the CCA rules, if certain conditions are met, other than property included in Classes 1 to 6, 14.1, 17, 47, 49, and 51. A property can only qualify as DIEP in the year in which it becomes available for use. See subsection 1104(3.1) of the Regulations for more information.

Note 6: Enter in column 5, "Adjustments and transfers", amounts that increase or reduce the UCC (column 10). Items that increase the UCC include amounts transferred under section 85, or transferred on amalgamation or winding-up of a subsidiary. Items that reduce the UCC (show amounts that reduce the UCC in brackets) include assistance received or receivable during the year for a property, subsequent to its disposition, if such assistance would have decreased the capital cost of the property by virtue of paragraph 13(7.1)(f). See the T2 Corporation Income Tax Guide for other examples of adjustments and transfers to include in column 5.
Also include property acquired in a non-arm's length transaction (other than by virtue of a right referred to in paragraph 251(5)(b) of the Act) if the property was a depreciable property acquired by the transferor at least 364 days before the end of your tax year and continuously owned by the transferor until it was acquired by you.

Note 7: Include all amounts of assistance you received (or were entitled to receive) after the disposition of a depreciable property that would have decreased the capital cost of the property by virtue of paragraph 13(7.1)(f) if received before the disposition.

Part 2 – CCA calculation (continued)

Note 8: Include all amounts you have repaid during the year for any legally required repayment, made after the disposition of a corresponding property, of:

- assistance that would have otherwise increased the capital cost of the property under paragraph 13(7.1)(d) and
- an inducement, assistance, or any other amount contemplated in paragraph 12(1)(x) received, that otherwise would have increased the capital cost of the property under paragraph 13(7.4)(b)

Include the UCC of each property of a prescribed class acquired in the course of a corporate reorganization described under paragraph 55(3)(b) of the Act (also known as "butterfly reorganization") or include property acquired in a non-arm's length transaction (other than by virtue of a right referred to in paragraph 251(5)(b) of the Act) if the property was a depreciable property acquired by the transferor less than 364 days before the end of your tax year and continuously owned by the transferor until it was acquired by you.

Note 9: For each property disposed of during the year, deduct from the proceeds of disposition any outlays and expenses to the extent that they were made or incurred for the purpose of making the disposition(s). The amount reported in respect of the property cannot exceed the property's capital cost, unless that property is a timber resource property as defined in subsection 13(21).
If the cost of a zero-emission passenger vehicle (or a passenger vehicle that was, at any time, a DIEP) exceeds the prescribed amount, the proceeds of disposition will be adjusted based on a factor equal to the prescribed amount as a proportion of the actual cost of the vehicle.

Note 10: If the amount in column 5 (as shown in brackets) reduces the undepreciated capital cost, you must subtract it for the purposes of the calculation. Otherwise, add the amount in column 5 for the purposes of the calculation.

Note 11: The only amounts incurred before April 19, 2021, to be included in this column are certain inventory purchases from arm's length persons or partnerships where the conditions in paragraphs 1100(0.3)(a) to (c) are met.

Note 12: Immediate expensing applies to a DIEP included in column 11. The total immediate expensing for the tax year (total of column 12) should not exceed the lesser of:

1. Immediate expensing limit: it is equal to one of the following five amounts, whichever is applicable:

- $1.5 million, if you are not associated with any other EPOP in the tax year
- amount from line 125, if you are associated in the tax year with one or more EPOPs
- nil, if the total of the percentages assigned in Part 1 is more than 100% or you are associated in the tax year with one or more EPOPs and have not filed an agreement in prescribed form as required under subsection 1104(3.3) of the Regulations
- the amount determined under subsection 1104(3.5) of the Regulations for any second or subsequent tax years ending in a calendar year, if you have two or more tax years ending in the calendar year in which you are associated with another EPOP that has a tax year ending in that calendar year
- any amount allocated by the minister under subsection 1104(3.4) of the Regulations

The immediate expensing limit has to be prorated if your tax year is less than 365 days. You cannot carry forward any unused amount of the immediate expensing limit.

2. UCC of the DIEP: total of column 11

You have to maintain the CCPC status throughout the relevant tax year in order to claim the immediate expensing.

Note 13: An AIIP is a property (other than property included in Classes 54 to 56) that you acquired after November 20, 2018, and that became available for use before 2028.
Classes 54 and 55 include zero-emission vehicles that you acquired after March 18, 2019, and that became available for use before 2028.
Class 56 applies to eligible zero-emission automotive equipment and vehicles (other than motor vehicles) that are acquired after March 1, 2020, and that became available for use before 2028.
See the T2 Corporation Income Tax Guide for more information.

Note 14: Include only elements from columns 6 and 7 that are not related to the DIEP.

Note 15: The relevant factors for property of a class in Schedule II, that is an AIIP or included in Classes 54 to 56, available for use before 2024 are:

- 2 1/3 for property in Classes 43.1, 54, and 56
- 1 1/2 for property in Class 55
- 1 for property in Classes 43.2 and 53
- 0 for property in Classes 12, 13, 14, and 15, as well as properties that are Canadian vessels included in paragraph 1100(1)(v) of the Regulations (see note 20 for additional information) and
- 0.5 for all other property that is an AIIP

Part 2 – CCA calculation (continued)

Note 16: The UCC adjustment for property acquired during the year (formerly known as the half-year rule or 50% rule) does not apply to certain property (including AIIP, property included in Classes 54 to 56, and property to which the immediate expensing was applied). Include only elements from columns 6 and 7 that are not related to the DIEP.
For special rules and exceptions, see Income Tax Folio S3-F4-C1, General Discussion of Capital Cost Allowance.

Note 17: Enter a rate only if you are using the declining balance method. For any other method (for example, the straight-line method, where calculations are always based on the cost of acquisitions), enter N/A. Then enter the amount you are claiming in column 23.

Note 18: If the amount in column 10 is negative, you have a recapture of CCA. If applicable, enter the negative amount from column 10 in column 21 as a positive. The recapture rules do not apply to passenger vehicles in Class 10.1. However, they do apply to a passenger vehicle that was, at any time, a DIEP.

Note 19: If no property is left in the class at the end of the tax year and there is still a positive amount in the column 10, you have a terminal loss. If applicable, enter the positive amount from column 10 in column 22. The terminal loss rules do not apply to:

- passenger vehicles in Class 10.1
- property in Class 14.1, unless you have ceased carrying on the business to which it relates
- limited-period franchises, concessions, or licences in Class 14 if, at the time of acquisition, the property was a former property of the transferor or any similar property attributable to the same fixed place of business, and you had jointly elected with the transferor to have the replacement property rules apply, unless certain conditions are met

Note 20: If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See the T2 Corporation Income Tax Guide for more information. For property in class 10.1 disposed of during the year, deduct a maximum of 50% of the regular CCA deduction if you owned the property at the beginning of the tax year. For AIIP listed below, the maximum first year allowance you can claim is determined as follows:

- Class 13: the lesser of 150% of the amount calculated in Schedule III of the Regulations and the UCC at the end of the tax year (before any CCA deduction)
- Class 14: the lesser of 150% of the allocation for the year of the capital cost of the property apportioned over the remaining life of the property (at the time the cost was incurred) and the UCC at the end of the tax year (before any CCA deduction)
- Class 15: the lesser of 150% of an amount computed on the basis of a rate per cord, board foot, or cubic metre cut in the tax year and the UCC at the end of the tax year (before any CCA deduction)
- Canadian vessels described under paragraph 1100(1)(v) of the Regulations: the lesser of 50% of the capital cost of the property and the UCC at the end of the tax year (before any CCA deduction)
- Class 41.2: use a 25% CCA rate. The additional allowance under paragraphs 1100(1)(y.2) (for single mine properties) and 1100(1)(ya.2) (for multiple mine properties) of the Regulations is not eligible for the accelerated investment incentive. The additional allowance in respect of natural gas liquefaction under paragraph 1100(1)(yb) of the Regulations is eligible for the accelerated investment incentive

The AIIP also apply to property (other than a timber resource property) that is a timber limit or a right to cut timber from a limit as well as to industrial mineral mine or a right to remove minerals from an industrial mineral mine. See the Income Tax Regulations for more detail.

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SCHEDULE 9

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
InnPower Corporation	89242 2817 RC0001	2022-12-31

- Complete this schedule if the corporation is related to or associated with at least one other corporation.
- For more information, see the *T2 Corporation Income Tax Guide*.

	Name 100	Country of residence (other than Canada) 200	Business number (see note 1) 300	Relationship code (see note 2) 400	Number of common shares you own 500	% of common shares you own 550	Number of preferred shares you own 600	% of preferred shares you own 650	Book value of capital stock 700
1.	Innservices Utilities Inc.		81689 7326 RC0001	3					
2.	Town of Innisfil		NR	1					
3.	Innterprises Inc.		86556 4595 RC0001	3					

Note 1: Enter "NR" if the corporation is not registered or does not have a business number.
Note 2: Enter the code number of the relationship that applies from the following order: 1 - Parent 2 - Subsidiary 3 - Associated 4 - Related but not associated

T2 SCH 9 (11)

Canada

Continuity of financial statement reserves (not deductible)

Financial statement reserves (not deductible)

	Description	Balance at the beginning of the year	Transfer on an amalgamation or the wind-up of a subsidiary	Add	Deduct	Balance at the end of the year
1	Post retirement benefits	162,065		142,732	162,065	142,732
2						
	Reserves from Part 2 of Schedule 13					
	Totals	162,065		142,732	162,065	142,732

The total opening balance plus the total transfers should be entered on line 414 of Schedule 1 as a deduction.
The total closing balance should be entered on line 126 of Schedule 1 as an addition.

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Schedule 23

Agreement Among Associated Canadian-Controlled Private Corporations to Allocate the Business Limit

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

Column 1: Enter the legal name of each of the corporations in the associated group, including those deemed to be associated under subsection 256(2) of the Income Tax Act.

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

Column 3: Enter the association code from the list below 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** as referred to in subsection 256(2) and has filed Schedule 28, Election not to be Associated Through a Third Corporation

3 – Non-CCPC that is a **third corporation**

4 – Associated non-CCPC

5 – Associated CCPC to which association code 1 does not apply because a **third corporation** has filed Schedule 28

Column 4: Enter the business limit for the year of each corporation in the associated group. Enter "0" if the corporation has association code 2, 3 or 4 in column 3 (except if the corporation is a cooperative or a credit union eligible for the SBD and it has association code 4).

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

Column 6: Enter the business limit allocated to each corporation by multiplying the amount in column 4 by the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A.

Ensure that the total at line A does not exceed $500,000.

Allocating the business limit

Date filed (do not use this area) . . . . . **025** Year Month Day

Enter the calendar year the agreement applies to . . . . . **050** Year 2022

Is this an amended agreement for the above calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? . . . . . **075** ☐ Yes ☒ No

	1 Name of associated corporations **100**	2 Business number of associated corporations **200**	3 Association code **300**	4 Business limit for the year before the allocation $	5 Percentage of the business limit % **350**	6 Business limit allocated* $ **400**	
1	InnPower Corporation	89242 2817 RC0001	1	500,000	100.0000	500,000	
2	Innservices Utilities Inc.	81689 7326 RC0001	1	500,000			
3	Town of Innisfil	NR	1	500,000			
4	Innterprises Inc.	86556 4595 RC0001	1	500,000			
				Total	100.0000	500,000	A

Business limit reduction under subsection 125(5.1) of the Act

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the factors used in this calculation is the "large corporation amount" at line 415 of the T2 return. The amount at line 415 is determined using the formula 0.225% x (C - $10,000,000). Another factor is the "adjusted aggregate investment income" from lines 744 and 745 of Schedule 7, Aggregate Investment Income and Income Eligible for the Small Business Deduction. Details of these formulas and variable C are in subsection 125(5.1) of the Act.

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

Special rules for business limit

Special rules apply under subsection 125(5) if a CCPC has more than one tax year ending in the same calendar year and it is associated in more than one of those tax years with another CCPC that has a tax year ending in that calendar year. The business limit for the second or later tax year will be equal to the lesser of: the business limit determined for the first tax year ending in the calendar year or the business limit determined for the second or later tax year ending in the same calendar year.

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Schedule 31

Investment Tax Credit – Corporations

General information

- Use this schedule:
  - to calculate an investment tax credit (ITC) earned during the tax year
  - to claim a deduction against Part I tax payable
  - to claim a refund of credit earned during the current tax year
  - to claim a carryforward of credit from previous tax years
  - to transfer a credit following an amalgamation or the wind-up of a subsidiary, as described under subsections 87(1) and 88(1)
  - to request a credit carryback to one or more previous years
  - if you are subject to a recapture of ITC
- Unless otherwise stated, all legislative references are to the federal Income Tax Act and Income Tax Regulations.
- The ITC is eligible for a three-year carryback (if not deductible in the year earned). It is also eligible for a twenty-year carryforward.
- Investments or expenditures, described in subsection 127(9) and Regulation Part XLVI, that earn an ITC are:
  - qualified property and qualified resource property (Parts 4 to 7 of this schedule)
    - You can no longer claim the ITC for the qualified resource property expenditures. Only unused credits that have not expired can be carried forward for up to 20 tax years following the tax year in which you incurred the expenditures.
  - qualified scientific research and experimental development (SR&ED) expenditures (Parts 8 to 17). File Form T661, Scientific Research and Experimental Development (SR&ED) Expenditures Claim
  - pre-production mining expenditures (Part 18)
    - You can no longer claim the ITC for the pre-production mining expenditures. Only unused credits that have not expired can be carried forward for up to 20 tax years following the tax year in which you incurred the expenditures.
  - apprenticeship job creation expenditures (Parts 19 to 21)
  - child care spaces expenditures (Part 22)
    - You can no longer claim the ITC for the child care spaces expenditures. Only unused credits that have not expired can be carried forward for up to 20 tax years following the tax year in which you incurred the expenditures.
- File this schedule with the T2 Corporation Income Tax Return. If you need more space, attach additional schedules.
- For more information on ITCs, see **Investment Tax Credit** in Guide T4012, T2 Corporation – Income Tax Guide.
- For more information on SR&ED, see Guide T4088, Scientific Research and Experimental Development (SR&ED) Expenditures Claim – Guide to Form T661.

Detailed information

- For the purpose of this schedule, **investment** means the capital cost of the property (excluding amounts added by an election under section 21), determined without reference to subsections 13(7.1) and 13(7.4), minus the amount of any government or non-government assistance that the corporation has received, is entitled to receive, or can reasonably be expected to receive for that property at the time it files the income tax return for the year in which the property was acquired.
- An ITC deducted in a tax year for a depreciable property reduces both the capital cost of that property and the undepreciated capital cost of that class in the next tax year. An ITC for SR&ED deducted or refunded in a tax year will reduce the balance in the pool of deductible SR&ED expenditures and the adjusted cost base (ACB) of an interest in a partnership in the next tax year. An ITC from pre-production mining expenditures deducted in a tax year reduces the balance in the pool of deductible cumulative Canadian exploration expenses in the next tax year.
- Property acquired has to be **available for use** before a claim for an ITC can be made. See subsections 127(11.2) and 248(19) for more information.
- Expenditures for SR&ED qualifying for an ITC must be identified by the claimant on Form T661 and Schedule 31 no later than 12 months after the claimant's income tax return is due for the tax year in which it incurred the expenditures. A claimant that does not meet this reporting deadline will not be able to file Schedule 508, Ontario Research and Development Tax Credit, and Schedule 566, Ontario innovation Tax Credit.
- Expenditures for apprenticeship for an ITC must be identified by the claimant on Schedule 31 no later than 12 months after the claimant's income tax return is due for the tax year in which it incurred the expenditures.
- Partnership allocations – Subsection 127(8) provides for the allocation of the amount that may reasonably be considered to be a partner's share of the ITCs of the partnership at the end of the fiscal period of the partnership. An allocation of ITCs is generally considered to be the partner's reasonable share of the ITCs if it is made in the same proportion in which the partners have agreed to share any income or loss and if section 103 is not applicable for the agreement to share any income or loss. Special rules apply to specified members of a partnership and limited partners. For more information, see Guide T4068, Guide for the Partnership Information Return (T5013 Forms).
- For tax purposes, Canada includes the **exclusive economic zone of Canada** as defined in the Oceans Act (which generally consists of an area of the sea that is within 200 nautical miles from the Canadian coastline), including the airspace, seabed and subsoil of that zone.
- For the purpose of this schedule, the expression **Atlantic Canada** includes the Gaspé Peninsula and the provinces of Newfoundland and Labrador, Prince Edward Island, Nova Scotia, and New Brunswick, as well as their respective offshore regions (prescribed in Regulation 4609).

Detailed information (continued)

- For the purpose of this schedule, **qualified property** means property in Atlantic Canada that is used primarily for manufacturing and processing, farming or fishing, logging, storing grain, or harvesting peat. Qualified property includes new buildings and new machinery and equipment (prescribe in Regulation 4600), and new energy generation and conservation property (prescribed in Regulation 4600). Qualified property can also be used primarily to produce or process electrical energy or steam in a prescribed area (as described in Regulation 4610). See the definition of **qualified property** in subsection 127(9) for more information.

Part 1 – Investments, expenditures, and percentages

	Specified percentage
Investments	
Qualified property and qualified resource property (Part 5)	
Qualified property acquired primarily for use in Atlantic Canada	10 %
Expenditures	
SR&ED (Part 11)	
If you are a Canadian-controlled private corporation (CCPC), this percentage may apply to the portion that you claim of the SR&ED qualified expenditure pool that does not exceed your expenditure limit (see Part 10)	35 %
Note: If your current year's qualified expenditures are more than your expenditure limit (see Part 10), the excess is eligible for an ITC calculated at the 15 % rate.	
If you are a corporation that is not a CCPC and have incurred qualified expenditures for SR&ED in any area in Canada	15 %
Apprenticeship job creation (Part 19)	
If you paid salary and wages to apprentices in the first 24 months of their apprenticeship contract for employment	10 %

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2022-12-31

Part 2A – Determination of a qualifying corporation

Is the corporation a qualifying corporation? . . . . **101** Yes [ ] No [X]

Enter your taxable income for the previous tax year* (prior to any loss carrybacks applied) . . . . **390** ____________

For the purpose of a refundable ITC, a **qualifying corporation** is defined under subsection 127.1(2). The corporation has to be a CCPC and its taxable income (before any loss carrybacks) for its previous tax year cannot be more than its **qualifying income limit** for the particular tax year. If the corporation is associated with any other corporations during the tax year, the total of the taxable incomes of the corporation and the associated corporations (before any loss carrybacks), for their last tax year ending in the previous calendar year, cannot be more than their qualifying income limit for the particular tax year.

Note: A CCPC considered associated with another corporation under subsection 256(1) will be considered **not** associated for the calculation of a refundable ITC if both of the following conditions are met:

- one corporation is associated with another corporation only because one or more persons own shares of the capital stock of both corporations
- one of the corporations has at least one shareholder who is not common to both corporations

If you are a **qualifying** corporation, you will earn a **100**% refund on your share of any ITCs earned at the 35% rate on qualified expenditures for SR&ED, up to the allocated expenditure limit.

Some CCPCs that are **not qualifying** corporations may also earn a **100**% refund on their share of any ITCs earned at the 35% rate on qualified expenditures for SR&ED, up to the allocated expenditure limit. The expenditure limit can be determined in Part 10 on page 5.

* If the tax year referred to on line 390 is less than 51 weeks, **multiply** the taxable income by the following result: 365 **divided** by the number of days in that tax year.

Part 2B – Determination of an excluded corporation – SR&ED

Is the qualifying corporation an excluded corporation as defined under subsection 127.1(2)? . . . . **650** Yes [ ] No [X]

Only 40% refund will be available to a qualifying corporation that is an **excluded corporation** as defined under subsection 127.1(2). A corporation is an excluded corporation if, at any time during the year, it is a corporation that is either controlled by (directly or indirectly, in any manner whatever) or is related to one of the following:

a) one or more persons exempt from Part I tax under section 149

b) Her Majesty in right of a province, a Canadian municipality, or any other public authority

c) any combination of persons referred to in a) or b) above

Part 3 – Corporations in the farming industry

Complete this area if the corporation is making SR&ED contributions.

Is the corporation claiming a contribution in the current year to an agricultural organization whose goal is to finance SR&ED work (for example, check-off dues)? . . . . **102** Yes [ ] No [X]

If **yes**, complete Schedule 125, Income Statement Information, to identify the type of farming industry the corporation is involved in.

Contributions to agricultural organizations for SR&ED* . . . . ____________ x 80 % = **103** ____________
Enter on line 350 of Part 8.

* Enter only contributions not already included on Form T661.

Qualified Property and Qualified Resource Property

Part 4 – Eligible investments for qualified property from the current tax year

Capital cost allowance class number **105**	Description of investment **110**	Date available for use **115**	Location used in Atlantic Canada (province) **120**	Amount of investment **125**
			Total of investments for qualified property	4A

Part 5 – Current-year credit and account balances – ITC from investments in qualified property and qualified resource property

ITC at the end of the previous tax year			5A
Credit deemed as a remittance of co-op corporations	210		
Credit expired	215		
Subtotal (line 210 **plus** line 215)		▶	5B
ITC at the beginning of the tax year (amount 5A **minus** amount 5B)		220	
Credit transferred on an amalgamation or the wind-up of a subsidiary	230		
ITC from repayment of assistance	235		
Qualified property (amount 4A) x 10 % =	240		
Credit allocated from a partnership	250		
Subtotal (total of lines 230 to 250)		▶	5C
Total credit available (line 220 **plus** amount 5C)			5D
Credit deducted from Part I tax	260		
Credit carried back to previous years (amount 6A)	5E		
Credit transferred to offset Part VII tax liability	280		
Subtotal (total of line 260, amount 5E, and line 280)		▶	5F
Credit balance before refund (amount 5D **minus** amount 5F)			5G
Refund of credit claimed on investments from qualified property (from Part 7)		310	
ITC closing balance of investments from qualified property and qualified resource property (amount 5G **minus** line 310)		320	

Part 6 – Request for carryback of credit from investments in qualified property

	Year	Month	Day			
1st previous tax year				Credit to be applied	901	
2nd previous tax year				Credit to be applied	902	
3rd previous tax year				Credit to be applied	903	

Total of lines 901 to 903 Enter at amount 5E. 6A

Part 7 – Refund of ITC for qualifying corporations on investments from qualified property

Current-year ITCs (line 240 **plus** line 250 in Part 5)	7A
Credit balance before refund (from amount 5G)	7B
Refund (40 % of amount 7A or 7B, whichever is less)	7C

Enter amount 7C or a lesser amount on line 310 in Part 5 (also enter on line 780 of the T2 return if you do not claim an SR&ED ITC refund).

SR&ED

Part 8 – Qualified SR&ED expenditures

Current expenditures (from line 559 on Form T661)		90,723		
Contributions to agricultural organizations for SR&ED				
Deduct: Government assistance, non-government assistance, or contract payment				
Subtotal				
x	80 %			
Contributions to agricultural organizations for SR&ED for the federal ITC (this amount is updated to line 103 of Part 3. For more details, consult the Help.)*		+		
Qualified SR&ED expenditures (line 559 on Form T661 **plus** line 103 in Part 3)*		90,723	350	90,723
Repayments made in the year (from line 560 on Form T661)			370	
Total qualified SR&ED expenditures (line 350 **plus** line 370)			380	90,723

* If you are claiming only contributions made to agricultural organizations for SR&ED, line 350 should equal line 103 in Part 3. Do not file Form T661.

Part 9 – Components of the SR&ED expenditure limit calculation

Part 9 only applies if you are a CCPC.

Note: A CCPC considered associated with another corporation under subsection 256(1) will be considered not associated for the calculation of an SR&ED expenditure limit if both of the following apply:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of the corporation
- one of the corporations has at least one shareholder who is not common to both corporations

Is the corporation associated with another CCPC for the purpose of calculating the SR&ED expenditure limit? . . . . **385** Yes [X] No [ ]

If you answered **no** to the question on line 385 or if you are not associated with any other corporations, complete line 398.

If you answered **yes**, complete Schedule 49, Agreement Among Associated Canadian-Controlled Private Corporations to Allocate the Expenditure Limit, to determine the amounts for associated corporations.

Enter your taxable capital employed in Canada for the previous tax year **minus** $10 million.
If this amount is nil or negative, enter "0". If this amount is over $40 million, enter $40 million . . . . **398** ______

Part 10 – SR&ED expenditure limit for a CCPC

For a stand-alone (not associated) corporation

$ 40,000,000 **minus** line 398 in Part 9		10A
Amount 10A divided by $ 40,000,000		10B
Expenditure limit for the stand-alone corporation ($ 3,000,000 **multiplied** by amount 10B)*		10C

For an associated corporation

If associated, the allocation of the SR&ED expenditure limit, as provided on Schedule 49* . . . . **400** ______

If your tax year is less than 51 weeks, calculate the amount of the expenditure limit as follows:

Amount 10C or line 400 ______ x Number of days in the tax year 365 / 365 = ______ 10D

Your SR&ED expenditure limit for the year (enter amount 10C, line 400, or amount 10D, whichever applies) . . . . **410** ______

* Amount 10C or line 400 cannot be more than $3,000,000.

Part 11 – Investment tax credits on SR&ED expenditures

Qualified SR&ED expenditures (from line 350 in Part 8) or the expenditure limit (from line 410 in Part 10), whichever is less*	420		x 35 %	=		11A
Line 350 **minus** line 410 (if negative, enter "0")	430	90,723	x 15 %	=	13,608	11B

If a corporation makes a repayment of any government or non-government assistance, or contract payments that reduced the amount of qualified expenditures for ITC purposes, the amount of the repayment is eligible for a credit.

Repayments (amount from line 370 in Part 8) . . . . ______

Enter the amount of the repayment on the line that corresponds to the appropriate rate.

Repayment of assistance that reduced a qualifying expenditure for a CCPC**	460		x 35 %	=		11C
Repayment of assistance made after September 16, 2016, that reduced a qualifying expenditure incurred before 2015	480		x 20 %	=		11D
Repayment of assistance made after September 16, 2016, that reduced a qualifying expenditure incurred after 2014	490		x 15 %	=		11E
Subtotal (total of amounts 11C to 11E)				►		11F
Current-year SR&ED ITC (total of amounts 11A, 11B, and 11F; enter on line 540 in Part 12)					13,608	11G

* For corporations that are not CCPCs, enter "0" for amount 11A.

** If you were a CCPC, this percentage was applied to the portion that you claimed of the SR&ED qualified expenditure pool that did not exceed your expenditure limit at the time. This percentage includes the rate under subsection 127(10.1), **Additions to investment tax credit**. See subsection 127(10.1) for details about exceptions. For expenditures not eligible for this rate use line 480 or 490 as appropriate.

Part 12 – Current-year credit and account balances – ITC from SR&ED expenditures

ITC at the end of the previous tax year					12A
Credit deemed as a remittance of co-op corporations	510				
Credit expired	515				
Subtotal (line 510 **plus** line 515)			►		12B
ITC at the beginning of the tax year (amount 12A **minus** amount 12B)			520		
Credit transferred on an amalgamation or the wind-up of a subsidiary	530				
Total current-year credit (from amount 11G)	540	13,608			
Credit allocated from a partnership	550				
Subtotal (total of lines 530 to 550)		13,608	►	13,608	12C
Total credit available (line 520 **plus** amount 12C)				13,608	12D
Credit deducted from Part I tax	560	13,608			
Credit carried back to previous years (amount 13A)			12E		
Credit transferred to offset Part VII tax liability	580				
Subtotal (total of line 560, amount 12E, and line 580)		13,608	►	13,608	12F
Credit balance before refund (amount 12D **minus** amount 12F)					12G
Refund of credit claimed on SR&ED expenditures (from Part 14 or 15, whichever applies)			610		
ITC closing balance on SR&ED (amount 12G **minus** line 610)			620		

Part 13 – Request for carryback of credit from SR&ED expenditures

	Year Month Day			
1st previous tax year		Credit to be applied	911	
2nd previous tax year		Credit to be applied	912	
3rd previous tax year		Credit to be applied	913	

Total of lines 911 to 913 ______ 13A
Enter at amount 12E.

Part 14 – Refund of ITC for qualifying corporations – SR&ED

Complete this part if you are a qualifying corporation as determined on line 101 in Part 2A.*

Current-year ITC (lines 540 **plus** 550 in Part 12 **minus** amount 11F) ______ 14A

Refundable credits (amount 14A or amount 12G, whichever is less) ______ 14B

Amount 14B or amount 11A, whichever is less ______ 14C

Net amount (amount 14B **minus** amount 14C; if negative, enter "0") ______ 14D

Amount 14D **multiplied** by 40 % ______ 14E

Amount 14C ______ 14F

Refund of ITC (amount 14E **plus** amount 14F – enter this, or a lesser amount, on line 610 in Part 12) ______ 14G

Enter the total of line 310 in Part 5 and line 610 in Part 12 on line 780 of the T2 return.

* If you are also an excluded corporation, as determined in Part 2B, amount 14B must be multiplied by 40%. Claim this, or a lesser amount, as your refund of ITC for amount 14G.

Part 15 – Refund of ITC for CCPCs that are neither qualifying nor excluded corporations – SR&ED

Complete this part only if you are a CCPC that is not a qualifying corporation as determined on line 101 in Part 2A or an excluded corporation as determined on line 650 in Part 2B.

Credit balance before refund (amount 12G) ______ 15A

Refund of ITC (amount 15A or amount 11A, whichever is less) ______ 15B

Enter amount 15B, or a lesser amount, on line 610 in Part 12 and also on line 780 of the T2 return.

Recapture – SR&ED

Part 16 – Recapture of ITC for corporations and partnerships – SR&ED

You will have a recapture of ITC in a year when **all** of the following conditions are met:

- you acquired a particular property in the current year or in any of the 20 previous tax years, and the credit was earned in a tax year ending after 1997 and did not expire before 2008
- you claimed the cost of the property as a qualified expenditure for SR&ED on Form T661
- the cost of the property was included in calculating your ITC or was the subject of an agreement made under subsection 127(13) to transfer qualified expenditures
- you disposed of the property or converted it to commercial use after February 23, 1998. This condition is also met if you disposed of or converted to commercial use a property that incorporates the particular property previously referred to

Note:

The recapture **does not apply** if you disposed of the property to a non-arm's-length purchaser who intended to use it all or substantially all for SR&ED. When the non-arm's-length purchaser later sells or converts the property to commercial use, the recapture rules will apply to the purchaser based on the historical ITC rate of the original user.

You will report a recapture on the T2 return for the year in which you disposed of the property or converted it to commercial use. In the following tax year, add the amount of the ITC recapture to the SR&ED expenditure pool.

If you have more than one disposition for calculations 1 and 2, complete the columns for each disposition for which a recapture applies, using the calculation formats below.

Calculation 1 – If you meet all of the above conditions

Amount of ITC you originally calculated for the property you acquired, or the original user's ITC where you acquired the property from a non-arm's length party, as described in the **note** above 700	Amount calculated using ITC rate at the date of acquisition (or the original user's date of acquisition) on either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value of the property (in any other case) 710	Amount from column 700 or 710, whichever is less

Subtotal Enter at amount 17A. ______ 16A

Calculation 2 – Only if you transferred all or a part of the qualified expenditure to another person under an agreement described in subsection 127(13); otherwise, enter nil at amount 16B.

A Rate that the transferee used in determining its ITC for qualified expenditures under a subsection 127(13) agreement 720	B Proceeds of disposition of the property if you dispose of it to an arm's length person; or, in any other case, enter the fair market value of the property at conversion or disposition 730	C Amount, if any, already provided for in Calculation 1 (This allows for the situation where only part of the cost of a property is transferred under a subsection 127(13) agreement.) 740	D Amount determined by the formula (A x B) – C	E ITC earned by the transferee for the qualified expenditures that were transferred 750	F Amount from column D or E, whichever is less

Subtotal (total of column F) Enter at amount 17B. ______ 16B

Calculation 3

As a member of the partnership, you will report your share of the SR&ED ITC of the partnership after the SR&ED ITC has been reduced by the amount of the recapture. If this amount is a positive amount, you will report it on line 550 in Part 12. However, if the partnership does not have enough ITC otherwise available to offset the recapture, then the amount by which reductions to ITC exceed additions (the excess) will be determined and reported on line 760.

Corporate partner's share of the excess of SR&ED ITC **760** ______
Enter at amount 17C.

Part 17 – Total recapture of SR&ED investment tax credit

Recaptured ITC from calculation 1, amount 16A		17A
Recaptured ITC from calculation 2, amount 16B		17B
Recaptured ITC from calculation 3, line 760 in Part 16		17C
Total recapture of SR&ED investment tax credit (total of amounts 17A to 17C) Enter at amount 24A.		17D

Pre-Production Mining

Part 18 – Account balances – ITC from pre-production mining expenditures

ITC at the end of the previous tax year				18A
Credit deemed as a remittance of co-op corporations	841			
Credit expired	845			
Subtotal (line 841 **plus** line 845)		►		18B
ITC at the beginning of the tax year (amount 18A **minus** amount 18B)		850		
Credit transferred on an amalgamation or the wind-up of a subsidiary		860		
Total credit available (line 850 **plus** line 860)				18C
Amount of unused credit carried forward from previous years and applied to reduce Part I tax payable in the current year		885		
ITC closing balance from pre-production mining expenditures (amount 18C **minus** line 885)		890		

Apprenticeship Job Creation

Part 19 – Total current-year credit – ITC from apprenticeship job creation expenditures

If you are a related person as defined under subsection 251(2), has it been agreed in writing that you are the only employer who will be claiming the apprenticeship job creation tax credit for this tax year for each apprentice whose contract number (or social insurance number (SIN) or name) appears below? (If not, you cannot claim the tax credit.) . . . . **611** Yes ☐ No ☐

For each apprentice in their first 24 months of the apprenticeship, enter the apprenticeship contract number registered with Canada, or a province or territory, under an apprenticeship program designed to certify or license individuals in the trade. For the province, the trade must be a Red Seal trade. If there is no contract number, enter the SIN or the name of the eligible apprentice.

A Contract number (SIN or name of apprentice) **601**	B Name of eligible trade **602**	C Eligible salary and wages* **603**	D Colonne C x 10 % **604**	E Lesser of column D or $ 2,000 **605**

Total current-year credit (total of column E) ______ 19A
Enter on line 640 in Part 20.

* Other than qualified expenditure incurred, and net of any other government or non-government assistance received or to be received. **Eligible salary and wages**, and **qualified expenditures** are defined under subsection 127(9).

Part 20 – Current-year credit and account balances – ITC from apprenticeship job creation expenditures

ITC at the end of the previous tax year . . . . ______ 20A

Credit deemed as a remittance of co-op corporations . . . . **612** ______

Credit expired after 20 tax years . . . . **615** ______

Subtotal (line 612 **plus** line 615) ______ ► ______ 20B

ITC at the beginning of the tax year (amount 20A **minus** amount 20B) . . . . **625** ______

Credit transferred on an amalgamation or the wind-up of a subsidiary . . . . **630** ______

ITC from repayment of assistance . . . . **635** ______

Total current-year credit (amount 19A) . . . . **640** ______

Credit allocated from a partnership . . . . **655** ______

Subtotal (total of lines 630 to 655) ______ ► ______ 20C

Total credit available (line 625 **plus** amount 20C) . . . . ______ 20D

Credit deducted from Part I tax . . . . **660** ______

Credit carried back to previous years (amount 21A) . . . . ______ 20E

Subtotal (line 660 **plus** amount 20E) ______ ► ______ 20F

ITC closing balance from apprenticeship job creation expenditures (amount 20D **minus** amount 20F) . . . . **690** ______

Part 21 – Request for carryback of credit from apprenticeship job creation expenditures

	Year	Month	Day			
1st previous tax year				Credit to be applied	**931**	
2nd previous tax year				Credit to be applied	**932**	
3rd previous tax year				Credit to be applied	**933**	

Total of lines 931 to 933 ______ 21A
Enter at amount 20E.

Child Care Spaces

Part 22 – Account balances – ITC from child care spaces expenditures

ITC at the end of the previous tax year				22A
Credit deemed as a remittance of co-op corporations	765			
Credit expired after 20 tax years	770			
Subtotal (line 765 **plus** line 770)			▶	22B
ITC at the beginning of the tax year (amount 22A **minus** amount 22B)			775	
Credit transferred on an amalgamation or the wind-up of a subsidiary	777			
Credit allocated from a partnership	782			
Subtotal (line 777 **plus** line 782)			▶	22C
Total credit available (line 775 **plus** amount 22C)				22D
Credit deducted from Part I tax			785	
ITC closing balance from child care spaces expenditures (amount 22D **minus** line 785)			790	

Recapture – Child Care Spaces

Part 23 – Recapture of ITC for corporations and partnerships – Child care spaces

The ITC will be added to the taxpayer's tax otherwise payable under Part I of the Act if, at any time within 60 months of the day on which the taxpayer acquired the property, one of the following situations takes place:

- the new child care space is no longer available
- property that was an eligible expenditure for the child care space is
  - disposed of or leased to a lessee
  - converted to another use

If the property disposed of is a child care space, the amount that can reasonably be considered to have been included in the original ITC (paragraph 127(27.12)(a))	792	

In the case of eligible expenditures (paragraph 127(27.12)(b)), the lesser of:

The amount that can reasonably be considered to have been included in the original ITC	795	
25% of either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value (in any other case) of the property	797	
Amount from line 795 or line 797, whichever is less		23A

Partnerships

As a member of the partnership, you will report your share of the child care spaces ITC of the partnership after the child care spaces ITC has been reduced by the amount of the recapture. If this amount is a positive amount, you will report it on line 782 in Part 22. However, if the partnership does not have enough ITC otherwise available to offset the recapture, then the amount by which reductions to ITC exceed additions (the excess) will be determined and reported on line 799 below.

Corporate partner's share of the excess of ITC	799	
Total recapture of child care spaces investment tax credit (total of line 792, amount 23A, and line 799) Enter at amount 24B.		23B

Summary of Investment Tax Credits

Part 24 – Total recapture of investment tax credit

Recaptured SR&ED ITC (amount 17D)		24A
Recaptured child care spaces ITC (amount 23B)		24B
Total recapture of investment tax credit (amount 24A **plus** amount 24B) Enter on line 602 of the T2 return.		24C

Part 25 – Total ITC deducted from Part I tax

ITC from investments in qualified property deducted from Part I tax (line 260 in Part 5)		25A
ITC from SR&ED expenditures deducted from Part I tax (line 560 in Part 12)	13,608	25B
ITC from pre-production mining expenditures deducted from Part I tax (line 885 in Part 18)		25C
ITC from apprenticeship job creation expenditures deducted from Part I tax (line 660 in Part 20)		25D
ITC from child care space expenditures deducted from Part I tax (line 785 in Part 22)		25E
Total ITC deducted from Part I tax (total of amounts 25A to 25E) Enter on line 652 of the T2 return.	13,608	25F

Summary of Investment Tax Credit Carryovers

Continuity of investment tax credit carryovers

CCA class number 99 Cur. or cap. R&D for ITC

Current year

Addition current year (A)	Applied current year (B)	Claimed as a refund (C)	Carried back (D)	ITC end of year (A-B-C-D)
13,608	13,608			

Prior years

Taxation year	ITC beginning of year (E)	Adjustments (F)	Applied current year (G)	ITC end of year (E-F-G)	
2021-12-31					
2020-12-31					
2019-12-31					
2018-12-31					
2017-12-31					
2016-12-31					
2015-12-31					
2014-12-31					
2013-12-31					
2012-12-31					*
2011-12-31					
2010-12-31					
2009-12-31					
2008-12-31					
2007-12-31					
2006-12-31					
2005-12-31					
2004-12-31					
2003-12-31					
2002-12-31					*
Total					

B+C+D+G **Total ITC utilized** 13,608

* The **ITC end of year** includes the amount of ITC expired from the 10th preceding year if it is before January 1, 1998, or the amount of ITC expired from the 20th preceding year if it is after December 31, 1997. Note that this credit expires at the end of the tax year and any expired credit will be posted to line 215, 515, 615, 770 or 845, as applicable, in Schedule 31 the following year.

Canada Revenue Agency / Agence du revenu du Canada

Schedule 33

Taxable Capital Employed in Canada – Large Corporations

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2022-12-31

- Use this schedule in determining if the total taxable capital employed in Canada of the corporation (other than a financial institution or an insurance corporation) and its related corporations is greater than $10,000,000.
- If the total taxable capital employed in Canada of the corporation and its related corporations is greater than $10,000,000, file a completed Schedule 33 with your T2 *Corporation Income Tax Return* no later than six months from the end of the tax year.
- Unless otherwise noted, all legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 181(1) defines the terms **financial institution**, **long-term debt**, and **reserves**.
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part I.3 for its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or for a partnership in which it has an interest.
- If the corporation was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 4, **Taxable capital employed in Canada**.

Part 1 – Capital

Add the following year-end amounts:

Reserves that have not been deducted in calculating income for the year under Part I	101	142,732		
Capital stock (or members' contributions if incorporated without share capital)	103	10,852,000		
Retained earnings	104	20,375,000		
Contributed surplus	105	1,600,000		
Any other surpluses	106			
Deferred unrealized foreign exchange gains	107			
All loans and advances to the corporation	108	1,061,000		
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109			
Any dividends declared but not paid by the corporation before the end of the year	110			
All other indebtedness of the corporation (other than any indebtedness for a lease) that has been outstanding for more than 365 days before the end of the year	111			
The total of all amounts, each of which is the amount, if any, in respect of a partnership in which the corporation held a membership interest at the end of the year, either directly or indirectly through another partnership (see note below)	112			
Subtotal (**add** lines 101 to 112)		34,030,732	34,030,732	A

Note:

Line 112 is determined by the formula (A – B) x C/D (as per paragraph 181.2(3)(g)) where:

A is the total of all amounts that would be determined for lines 101, 107, 108, 109, and 111 in respect of the partnership for its last fiscal period that ends at or before the end of the year if
- a) those lines applied to partnerships in the same manner that they apply to corporations, and
- b) those amounts were computed without reference to amounts owing by the partnership
  - (i) to any corporation that held a membership interest in the partnership either directly or indirectly through another partnership, or
  - (ii) to any partnership in which a corporation described in subparagraph (i) held a membership interest either directly or indirectly through another partnership.

B is the partnership's deferred unrealized foreign exchange losses at the end of the period,

C is the share of the partnership's income or loss for the period to which the corporation is entitled either directly or indirectly through another partnership, and

D is the partnership's income or loss for the period.

Part 1 – Capital (continued)

Subtotal A (from page 1)		34,030,732 A
Deduct the following amounts:		
Deferred tax debit balance at the end of the year	121	
Any deficit deducted in calculating its shareholders' equity (including, for this purpose, the amount of any provision for the redemption of preferred shares) at the end of the year	122	
To the extent that the amount may reasonably be regarded as being included in any of lines 101 to 112 above for the year, any amount deducted under subsection 135(1) in calculating income under Part I for the year.	123	
Deferred unrealized foreign exchange losses at the end of the year	124	
Subtotal (**add** lines 121 to 124)	►	B
Capital for the year (amount A **minus** amount B) (if negative, enter "0")	190	34,030,732

Part 2 – Investment allowance

Add the carrying value at the end of the year of the following assets of the corporation:

A share of another corporation	401	
A loan or advance to another corporation (other than a financial institution)	402	3,772,000
A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution)	403	
Long-term debt of a financial institution	404	
A dividend payable on a share of the capital stock of another corporation	405	
A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim or similar obligation of, a partnership each member of which was, throughout the year, another corporation (other than a financial institution) that was not exempt from tax under this Part (otherwise than because of paragraph 181.1(3)(d)), or another partnership described in paragraph 181.2(4)(d.1)	406	
An interest in a partnership (see note 2 below)	407	
Investment allowance for the year (add lines 401 to 407)	490	3,772,000

Notes:

1. Lines 401 to 405 should not include the carrying value of a share of the capital stock of, a dividend payable by, or indebtedness of a corporation that is exempt from tax under Part I.3 (other than a non-resident corporation that at no time in the year carried on business in Canada through a permanent establishment).
2. Where the corporation has an interest in a partnership held either directly or indirectly through another partnership, refer to subsection 181.2(5) for additional rules regarding the carrying value of an interest in a partnership.
3. Where a trust is used as a conduit for loaning money from a corporation to another related corporation (other than a financial institution), the loan will be considered to have been made directly from the lending corporation to the borrowing corporation. Refer to subsection 181.2(6) for special rules that may apply.

Part 3 – Taxable capital

Capital for the year (line 190)		34,030,732 C
Deduct: Investment allowance for the year (line 490)		3,772,000 D
Taxable capital for the year (amount C **minus** amount D) (if negative, enter "0")	500	30,258,732

Part 4 – Taxable capital employed in Canada

To be completed by a corporation that was resident in Canada at any time in the year

Taxable capital for the year (line 500) 30,258,732 x (Taxable income earned in Canada **610** 724,289 / Taxable income 724,289) = **Taxable capital employed in Canada** **690** 30,258,732

Notes: 1. Regulation 8601 gives details on calculating the amount of taxable income earned in Canada.
2. Where a corporation's taxable income for a tax year is "0," it shall, for the purposes of the above calculation, be deemed to have a taxable income for that year of $1,000.
3. In the case of an airline corporation, Regulation 8601 should be considered when completing the above calculation.

To be completed by a corporation that was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada

Total of all amounts each of which is the carrying value at the end of the year of an asset of the corporation used in the year or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada . . **701** ______

Deduct the following amounts:

Corporation's indebtedness at the end of the year [other than indebtedness described in any of paragraphs 181.2(3)(c) to (f)] that may reasonably be regarded as relating to a business it carried on during the year through a permanent establishment in Canada . . . . **711** ______

Total of all amounts each of which is the carrying value at the end of year of an asset described in subsection 181.2(4) of the corporation that it used in the year, or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada . . . . **712** ______

Total of all amounts each of which is the carrying value at the end of year of an asset of the corporation that is a ship or aircraft the corporation operated in international traffic, or personal or movable property used or held by the corporation in carrying on any business during the year through a permanent establishment in Canada (see note below) . . . . **713** ______

Total deductions (**add** lines 711, 712, and 713) ______ ► ______ E

Taxable capital employed in Canada (line 701 **minus** amount E) (if negative, enter "0") . . . . **790** ______

Note: Complete line 713 only if the country in which the corporation is resident did not impose a capital tax for the year on similar assets, or a tax for the year on the income from the operation of a ship or aircraft in international traffic, of any corporation resident in Canada during the year.

Part 5 – Calculation for purposes of the small business deduction

This part is applicable to corporations that are not associated in the current year, but were associated in the prior year.

Taxable capital employed in Canada (amount from line 690) . . . . ______ F

Deduct: . . . . 10,000,000 G

Excess (amount F **minus** amount G) (if negative, enter "0") ______ H

Calculation for purposes of the small business deduction (amount H x 0.225%) . . . . ______ I

Enter this amount at line 415 of the T2 return.

Attached Schedule with Total

Part 1 – All loans and advances to the corporation

Title Part 1 – All loans and advances to the corporation

Explanatory note

Per note 19 of WP "FS 22"

Description	Operator (Note)	Amount
Town of Innisfil - receivable		347,000 00
InnServices Utilities Inc. - receivable	+	260,000 00
Innterprises Inc. - receivable	+	454,000 00
	+	
	Total	1,061,000 00

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula 1+2*3 will not result in the same thing as the formula 1+3*2.

Attached Schedule with Total

Part 2 – A loan or advance to another corporation (other than a financial institution)

Title Part 2 – A loan or advance to another corporation (other than a financial inst

Explanatory note

Per note 19 of Wp "FS 22"

Description	Operator (Note)	Amount
InnServices Utilities Inc. - payable		3,772,000 00
Innterprises Inc. - payable	+	
InnServices Utilities Inc. - receivable (negative balance)	+	
	+	
	Total	3,772,000 00

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula 1+2*3 will not result in the same thing as the formula 1+3*2.

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Schedule 50

Shareholder Information

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2022-12-31

- All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.
- Provide only one number (business number, partnership account number, social insurance number or trust number) per shareholder.

	Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust) 100	Business number or partnership account number (9 digits, 2 letters, and 4 digits. If not registered, enter "**NR**") 200	Social insurance number (9 digits) 300	Trust number (T followed by 8 digits) 350	Percentage common shares 400	Percentage preferred shares 500
1	Town of Innisfil	121947188RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

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Schedule 55

Part III.1 Tax on Excessive Eligible Dividend Designations

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2022-12-31

Do not use this area

- Every corporation resident in Canada that pays a taxable dividend (other than a capital gains dividend within the meaning assigned by subsection 130.1(4) or 131(1)) in the tax year must file this schedule.
- Canadian-controlled private corporations (CCPC) and deposit insurance corporations (DIC) must complete Part 1 of this schedule. All other corporations must complete Part 2.
- Every corporation that has paid an eligible dividend must also file Schedule 53, General Rate Income Pool (GRIP) Calculation, or Schedule 54, Low Rate Income Pool (LRIP) Calculation, whichever is applicable.
- File the schedules with your T2 Corporation Income Tax Return no later than six months from the end of the tax year.
- All legislative references are to the Income Tax Act and the Income Tax Regulations.
- Subsection 89(1) defines the terms **eligible dividend**, **excessive eligible dividend designation**, **general rate income pool**, and **low rate income pool**.
- The calculations in Part 1 and Part 2 do not apply if the excessive eligible dividend designation arises from the application of paragraph (c) of the definition of excessive eligible dividend designation in subsection 89(1). This paragraph applies when an eligible dividend is paid to artificially maintain or increase the GRIP or to artificially maintain or decrease the LRIP.

Part 1 – Canadian-controlled private corporations and deposit insurance corporations

Taxable dividends paid in the tax year **not included** in Schedule 3				
Taxable dividends paid in the tax year **included** in Schedule 3		212,589		
Total taxable dividends paid in the tax year	100	212,589		
Total eligible dividends paid in the tax year			150	
GRIP at the end of the tax year (line 590 on Schedule 53) (if negative, enter "0")			160	2,439,055
Excessive eligible dividend designation (line 150 **minus** line 160)				A
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *			180	
Subtotal (amount A **minus** line 180)				B
Part III.1 tax on excessive eligible dividend designations – CCPC or DIC (amount B **multiplied** by 20 %)			190	

Enter the amount from line 190 on line 710 of the T2 return.

Part 2 – Other corporations

Taxable dividends paid in the tax year **not included** in Schedule 3				
Taxable dividends paid in the tax year **included** in Schedule 3				
Total taxable dividends paid in the tax year	200			
Total excessive eligible dividend designations in the tax year (amount A of Schedule 54)				C
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *			280	
Subtotal (amount C **minus** line 280)				D
Part III.1 tax on excessive eligible dividend designations – Other corporations (amount D **multiplied** by 20 %)			290	

Enter the amount from line 290 on line 710 of the T2 return.

* You can elect to treat all or part of your excessive eligible dividend designation as a separate taxable dividend in order to eliminate or reduce the Part III.1 tax otherwise payable. You must file the election on or before the day that is 90 days **after** the day the notice of assessment for Part III.1 tax was sent. We will accept an election before the assessment of the tax.

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Schedule 500

Ontario Corporation Tax Calculation

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2022-12-31

- Use this schedule if your corporation had a **permanent establishment** (as defined in section 400 of the federal Income Tax Regulations) in Ontario at any time in the tax year and had Ontario taxable income in the year.
- Legislative references are to the federal Income Tax Act and Income Tax Regulations.
- This schedule is a worksheet only and is not required to be filed with your T2 Corporation Income Tax Return.

Part 1 – Ontario basic income tax

Ontario taxable income Note 1	724,289	1A
Ontario basic rate of tax for the year	**11.5** %	1B
Ontario basic income tax (amount 1A **multiplied** by amount 1B) Note 2	83,293	1C

Note 1 If your corporation had a permanent establishment only in Ontario, enter the amount from line 360, from page 3 of the T2 return. Otherwise, enter the taxable income allocated to Ontario from column F in Part 1 of Schedule 5.

Note 2 If your corporation had a permanent establishment in more than one jurisdiction or is claiming an Ontario tax credit in addition to Ontario basic income tax, or Ontario corporate minimum tax or Ontario special additional tax on life insurance corporations payable, enter amount 1C on line 270 of Schedule 5, Tax Calculation Supplementary – Corporations. Otherwise, enter it on line 760 of the T2 return.

Part 2 – Ontario small business deduction (OSBD)

Complete this part if your corporation claimed the federal small business deduction under subsection 125(1).

Line 400 of the T2 return	1,989,539	2A
Line 405 of the T2 return	724,289	2B
Line 410 of the T2 return	500,000	2C
Line 415 of the T2 return	480,284	2D

Amount 2C 500,000 x Amount 2D 480,284 / 11,250 = 21,345,956 2E

Line 515 of the T2 return ______ 2F

Subtotal (amount 2C **minus** amount 2E **minus** amount 2F) ______ ▶ ______ 2G

Amount 2A, 2B or 2G whichever is the least ______ ▶ ______ 2H

Ontario domestic factor (ODF): Taxable income for Ontario Note 3 / Taxable income for all provinces Note 4 = 724,289.00 / 724,289 = 1.00000 2I

Amount 2H **multiplied** by amount 2I ______ 2J

Ontario taxable income (amount 1A) 724,289 2K

Ontario small business income (amount 2J or 2K, whichever is less) ______ ▶ ______ 2L

Ontario small business deduction for the year

Amount 2L ______ x Number of days in the tax year before January 1, 2020 ______ / Number of days in the tax year 365 x 8 % = ______ 2M

Amount 2L ______ x Number of days in the tax year after December 31, 2019 365 / Number of days in the tax year 365 x 8.3 % = ______ 2N

Ontario small business deduction for the year (amount 2M **plus** amount 2N) ______ ▶ ______ 2O

Enter amount 2O on line 402 of Schedule 5.

Note 3 Enter amount 1A.

Note 4 Includes the territories and the offshore jurisdictions for Nova Scotia and Newfoundland and Labrador.

Part 3 – Ontario adjusted small business income

Complete this part if your corporation was a Canadian-controlled private corporation throughout the tax year and is claiming the Ontario tax credit for manufacturing and processing or the Ontario credit union tax reduction.

Ontario adjusted small business income (amount 1A or 2H, whichever is the least) . . . . ______ 3A

Enter amount 3A at amount 4B in Part 4 of this schedule or at amount 2E in Part 2 of Schedule 502, Ontario Tax Credit for Manufacturing and Processing, whichever applies.

Part 4 – Credit union tax reduction

Complete this part and Schedule 17, Credit Union Deductions, if the corporation was a credit union throughout the tax year.

Amount 2C of Schedule 17 . . . . ______ 4A

Ontario adjusted small business income (amount 3A) . . . . ______ 4B

Subtotal (amount 4A **minus** amount 4B, if negative, enter "0") ______ ▶ ______ 4C

Amount 4C ______ x (Number of days in the tax year before January 1, 2020 ______ / Number of days in the tax year 365) x 8 % = ______ 4D

Amount 4C ______ x (Number of days in the tax year after December 31, 2019 365 / Number of days in the tax year 365) x 8.3 % = ______ 4E

Total (amount 4D **plus** amount 4E) ______ ▶ ______ 4F

Ontario domestic factor (amount 2I) 1.00000 4G

Ontario credit union tax reduction (amount 4F **multiplied** by amount 4G) . . . . ______ 4H

Enter amount 4H on line 410 of Schedule 5.

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Schedule 508

Ontario Research and Development Tax Credit

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2022-12-31

- Use this schedule to:
  - – calculate an Ontario research and development tax credit (ORDTC);
  - – claim an ORDTC earned in the tax year or carried forward from any of the 20 previous tax years that are a tax year ending after December 31, 2008, to reduce Ontario corporate income tax payable in the current tax year;
  - – carry back an ORDTC earned in the tax year to reduce Ontario corporate income tax payable in any of the three previous tax years;
  - – add an ORDTC that was allocated to the corporation by a partnership of which it was a member;
  - – add an ORDTC transferred after an amalgamation or windup; or
  - – calculate a recapture of the ORDTC.
- The ORDTC is a non-refundable tax credit on eligible expenditures incurred by a corporation in a tax year. The ORDTC rate is:
  - – 4.5% for tax years that end before June 1, 2016;
  - – 3.5% for tax years that start after May 31, 2016; and
  - – prorated for a tax year that ends on or after June 1, 2016, and includes May 31, 2016.
- An eligible expenditure is an expenditure for a permanent establishment in Ontario of a corporation, that is a qualified expenditure for the purposes of section 127 of the federal *Income Tax Act* for scientific research and experimental development (SR&ED) carried on in Ontario.
- Only corporations that are not exempt from Ontario corporate income tax and none of whose income is exempt income can claim the ORDTC.
- Complete and attach this schedule to the *T2 Corporation Income Tax Return* for the tax year.
- To claim this credit, you must also send in completed copies of the Form T661, *Scientific Research and Experimental Development (SR&ED) Expenditures Claim*, and the Schedule 31, *Investment Tax Credit - Corporations*, within 18 months of the tax year end.

Part 1 – Ontario SR&ED expenditure pool

	Line	Amount		Line	Amount	
Total eligible expenditures incurred by the corporation in Ontario in the tax year	100	94,013	A			
Government assistance, non-government assistance, or a contract payment for eligible expenditures	105		B			
Net eligible expenditures for the tax year (amount A **minus** amount B) (if negative, enter "0")		94,013	C			
Eligible expenditures transferred to the corporation by another corporation	110		D			
Subtotal (amount C **plus** amount D)		94,013	▶		94,013	E
Eligible expenditures the corporation transferred to another corporation				115		F
Ontario SR&ED expenditure pool (amount E **minus** amount F) (if negative, enter "0")				120	94,013	G

Part 2 – Eligible repayments

The repayment of the ORDTC is calculated using the ORDTC rate that you used to determine your tax credit at the time your eligible expenditures were reduced because of the government or non-government assistance, or contract payments. Enter the amount of the repayment on the line that corresponds to the appropriate rate.

Repayments for tax years that end before June 1, 2016 . . . . **210** ______ x 4.5 % = **215** ______ H

Repayment for a tax year that ends on or after June 1, 2016 and includes May 31, 2016. Complete the proration calculation below.

Number of days in the tax year before June 1, 2016	240	152	x	4.5 %	=	1.8689 %	1
Number of days in the tax year	241	366					
Number of days in the tax year after May 31, 2016	242	214	x	3.5 %	=	2.0464 %	2
Number of days in the tax year	243	366					

Subtotal (percentage 1 **plus** percentage 2) 3.9153 % 3

Repayments for a tax year that ends on or after June 1, 2016 and includes May 31, 2016 . . . . . . **211** ______ x percentage 3 3.9153 % = **216** ______ I

Part 2 – Eligible repayments (continued)

Repayments for tax years that start after May 31, 2016	212		x	3.5 %	= 217		J
Repayments made in the tax year of government or non-government assistance or contract payments that reduced eligible expenditures for first term or second term shared-use equipment acquired before 2014	220	x 1 / 4 =	x	4.5 %	= 225		K
Eligible repayments (total of amounts H to K)					229		L

Part 3 – Calculation of the current part of the ORDTC

For tax years that end before June 1, 2016

Ontario SR&ED expenditure pool (amount G in Part 1)		x	4.5 %	= 200		M
ORDTC allocated to the corporation by a partnership of which it is a member (other than a specified member) for a fiscal period that ends in the corporation's tax year *				205		N
Eligible repayments (amount L in Part 2)						O
Current part of the ORDTC for tax years that end before June 1, 2016 (total of amounts M to O)				230		P

For a tax year that ends on or after June 1, 2016, and includes May 31, 2016

Number of days in the tax year before June 1, 2016 / Number of days in the tax year ______ x 4.5 % = ______ % 4

Number of days in the tax year after May 31, 2016 / Number of days in the tax year ______ x 3.5 % = ______ % 5

Subtotal (percentage 4 **plus** percentage 5) ______ % 6

Ontario SR&ED expenditure pool (amount G in Part 1) . .		x	percentage 6 ______ %	= 201		Q
ORDTC allocated to the corporation by a partnership of which it is a member (other than a specified member) for a fiscal period that ends in the corporation's tax year *				206		R
Eligible repayments (amount L in Part 2)						S
Part of the ORDTC for a tax year that ends on or after June 1, 2016, and includes May 31, 2016 (total of amounts Q to S)				231		T

For tax years that start after May 31, 2016

Ontario SR&ED expenditure pool (amount G in Part 1)	94,013	x	3.5 %	= 202	3,290	U
ORDTC allocated to the corporation by a partnership of which it is a member (other than a specified member) for a fiscal period that ends in the corporation's tax year *				207		V
Eligible repayments (amount L in Part 2)						W
The ORDTC for tax years that start after May 31, 2016 (total of amounts U to W)				232	3,290	X

* If there is a disposal or change of use of eligible property, see Part 7 on page 4.

Part 4 – Calculation of ORDTC available for deduction and ORDTC balance

ORDTC balance at the end of the previous tax year				Y
ORDTC expired after 20 tax years	300			Z
ORDTC at the beginning of the tax year (amount Y **minus** amount Z)	305			AA
ORDTC transferred to the corporation on amalgamation or windup	310			BB
Current part of ORDTC (amount P, T or X in Part 3 whichever applies)		3,290 CC		

Are you waiving all or part of the current part of the ORDTC? . . . . . . **315** Yes 1 ☐ No 2 ☒

If you answered **yes** at line 315, enter the amount of the tax credit waived on line 320.

If you answered **no** at line 315, enter "0" on line 320.

Waiver of the current part of the ORDTC	320	DD		
Subtotal (amount CC **minus** amount DD)		3,290 ▶	3,290 EE	
ORDTC available for deduction (total of amounts AA, BB and EE)			3,290 ▶	3,290 FF
ORDTC claimed ** (Enter amount GG on line 416 on page 5 of Schedule 5, *Tax Calculation Supplementary – Corporations*)			3,290 GG	
ORDTC carried back to previous tax years (from Part 5)			HH	
Subtotal (amount GG **plus** amount HH)			3,290 ▶	3,290 II
ORDTC balance at the end of the tax year (amount FF **minus** amount II)	325			JJ

** This amount cannot be more than the lesser of the following amounts:
- ORDTC available for deduction (amount FF); or
- Ontario corporate income tax payable before the ORDTC and the Ontario corporate minimum tax credit (amount from line E6 on page 5 of Schedule 5).

Part 5 – Request for carryback of tax credit

	Year Month Day			
1st previous tax year	2021-12-31	Credit to be applied	901	
2nd previous tax year	2020-12-31	Credit to be applied	902	
3rd previous tax year	2019-12-31	Credit to be applied	903	

Total (total of amount 901 to 903)(enter at amount HH in Part 4)

Part 6 – Analysis of tax credit available for carryforward by tax year of origin

You can complete this part to show all the credits from previous tax years available for carryforward, by year of origin. This will help you determine the amount of credit that could expire in following years.

Tax year of origin (earliest tax year first) Year / Month / Day	Credit available
2002-12-31	
2003-12-31	
2004-12-31	
2005-12-31	
2006-12-31	
2007-12-31	
2008-12-31	
2009-12-31	
2010-12-31	
2011-12-31	

Tax year of origin (earliest tax year first) Year / Month / Day	Credit available
2012-12-31	
2013-12-31	
2014-12-31	
2015-12-31	
2016-12-31	
2017-12-31	
2018-12-31	
2019-12-31	
2020-12-31	
2021-12-31	
Current tax year 2022-12-31	

Total (equals line 325 in Part 4)

The amount available from the 20th previous tax year will expire after this year. When you file your return for the next year, you will enter the expired amount on line 300 of Schedule 508 for that year.

Part 7 – Calculation of a recapture of ORDTC

You will have a recapture of ORDTC in a tax year when you meet **all** of the following conditions:

- you acquired a particular property in the current year or in any of the 20 previous tax years if the ORDTC was earned in a tax year ending after 2008;
- you claimed the cost of the property as an eligible expenditure for the ORDTC;
- the cost of the property was included in computing your ORDTC or was subject to an agreement made under subsection 127(13) of the federal Act to transfer qualified expenditures and section 42 of the *Taxation Act, 2007* (Ontario) applied; and
- you disposed of the property or converted it to commercial use in a tax year ending after December 31, 2008. You also meet this condition if you disposed of or converted to commercial use a property which incorporates the particular property previously referred to.

Note: The recapture **does not apply** if you disposed of the property to a non-arm's length purchaser who intended to use it all or substantially all for SR&ED in Ontario. When the non-arm's length purchaser later sells or converts the property to commercial use, the recapture rules will apply to the purchaser based on the historical federal investment tax credit (ITC) rate *** of the original user in Calculation 1 below.

You have to report the recapture on Schedule 5 for the year in which you disposed of the property or converted it to commercial use. If the corporation is a member of a partnership, report its share of the recapture.

Complete the columns for each disposition for which a recapture applies, using the calculation formats below.

*** Federal ITC in calculations 1 and 2 should be determined without reference to paragraph (e) of the definition **investment tax credit** in subsection 127(9) of the federal Act.

Calculation 1 – Complete this part If you meet all of the above conditions

	KK Amount of federal ITC you originally calculated for the property you acquired, or the original user's federal ITC where you acquired the property from a non-arm's length party, as described in the note above 700	LL Amount calculated using the federal ITC rate at the date of acquisition (or the original user's date of acquisition) on either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value of the property (in any other case) 710	MM Amount from column 700 or 710, whichever is less
1.			

Total of column MM (enter at amount WW in Part 8) NN

Part 7 – Calculation of a recapture of ORDTC (continued)

Calculation 2 – If the corporation is deemed by subsection 42(1) of the *Taxation Act, 2007* (Ontario) to have transferred all or part of the eligible expenditure to another corporation as a consequence of an agreement described in subsection 127(13) of the federal Act complete Calculation 2. Otherwise, enter nil on line SS.

	OO Rate percentage that the transferee used to determine its federal ITC for qualified expenditure that was transferred under an agreement under subsection 127(13) of the federal Act 720	PP Proceeds of disposition of the property if you dispose of it to a person at arm's length; or, in any other case, the fair market value of the property at conversion or disposition 730	QQ Amount, if any, already provided for in Calculation 1 (this allows for the situation where only part of the cost of a property is transferred for an agreement under subsection 127(13) of the federal Act) 740
1.			

	RR Amount determined by the formula (OO x PP) - QQ (using the columns above)	SS Federal ITC earned by the transferee for the qualified expenditure that was transferred 750	TT Amount from column RR or SS, whichever is less
1.			

Total of column TT (enter at amount XX in Part 8) ______ UU

Calculation 3

As a member of a partnership, you will report your share of the ORDTC of the partnership after the ORDTC has been reduced by the amount of the recapture. If this is a positive amount, you will report it on line 205, 206, or 207 in Part 3, whichever applies. However, if the partnership does not have enough ORDTC otherwise available to offset the recapture, then the amount by which reductions to the ORDTC exceeds additions (the excess) will be determined and reported on line VV.

Corporate partner's share of the excess of ORDTC (enter at amount ZZ in Part 8) . . . . **760** ______ VV

Part 8 – Total recapture of ORDTC

Recaptured federal ITC for Calculation 1 (amount NN from Part 7) . . . . ______ WW

Recaptured federal ITC for Calculation 2 (amount UU from Part 7) . . . . ______ XX

Amount WW **plus** amount XX . . . . ______ x 23.56 % = ______ YY

Corporate partner's share of the excess of ORDTC for Calculation 3 (amount VV from Part 7) . . . . ______ ZZ

Recapture of ORDTC (amount YY **plus** amount ZZ) (enter amount AAA on line 277 on page 5 of Schedule 5) . . . . ______ AAA

Schedule A - Worksheet for eligible expenditures incurred by the corporation in Ontario for the current taxation year

This worksheet allows you to report the amount of eligible expenditures entered on Form T661, *Scientific Research and Experimental Development (SR&ED) Expenditures Claim* which represents eligible expenditures as defined in section 127 of the *Income Tax Act* (ITA) with regard to scientific research and experimental development (SR&ED) **carried on in Ontario and attributable to a permanent establishment in Ontario of a corporation**.

Data on the worksheet is calculated based on the amounts on Form T661, but will have to be adjusted according to the rules of Ontario, if applicable, in particular when the corporation has had a permanent establishment in more than one jurisdiction. This data will be used when calculating Schedule 508 and Schedule 566.

Total expenditures for SR&ED		83,023	
Add			
• payment of prior years' unpaid expenses (other than salary or wages)	+		
• prescribed proxy amount (Enter "0" if you use the traditional method)	+	20,214	
• other additions	+		
Subtotal	=	103,237	
Less			
• current expenditures (other than salary or wages) not paid within 180 days of the tax year end	–		
• amounts paid in respect of an SR&ED contract to a person or partnership that is not taxable supplier	–		
• 20% of contract expenditures for SR&ED performed on your behalf	–	9,224	
• prescribed expenditures not allowed by regulations	–		
• other deductions	–		
• non-arm's length transactions			
– expenditures for non-arm's length SR&ED contracts	–		
– purchases (limited to costs) of goods and services from non-arm's length suppliers	–		
Total	=	94,013	I

Enter amount I on line 100 of Schedule 508.

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Schedule 510

Ontario Corporate Minimum Tax

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2022-12-31

- File this schedule if the corporation is subject to Ontario corporate minimum tax (CMT). CMT is levied under section 55 of the *Taxation Act, 2007* (Ontario), referred to as the "Ontario Act".
- Complete Part 1 to determine if the corporation is subject to CMT for the tax year.
- A corporation not subject to CMT in the tax year is still required to file this schedule if it is deducting a CMT credit, has a CMT credit carryforward, or has a CMT loss carryforward or a current year CMT loss.
- A corporation that has Ontario special additional tax on life insurance corporations (SAT) payable in the tax year must complete Part 4 of this schedule even if it is not subject to CMT for the tax year.
- A corporation is exempt from CMT if, throughout the tax year, it was one of the following:
  1) a corporation exempt from income tax under section 149 of the federal *Income Tax Act*;
  2) a mortgage investment corporation under subsection 130.1(6) of the federal Act;
  3) a deposit insurance corporation under subsection 137.1(5) of the federal Act;
  4) a congregation or business agency to which section 143 of the federal Act applies;
  5) an investment corporation as referred to in subsection 130(3) of the federal Act; or
  6) a mutual fund corporation under subsection 131(8) of the federal Act.
- File this schedule with the *T2 Corporation Income Tax Return*.

Part 1 – Determination of CMT applicability

Total assets of the corporation at the end of the tax year *	112	146,140,000
Share of total assets from partnership(s) and joint venture(s) *	114	
Total assets of associated corporations (amount from line 450 on Schedule 511)	116	101,237,673
Total assets (total of lines 112 to 116)		247,377,673
Total revenue of the corporation for the tax year **	142	50,589,000
Share of total revenue from partnership(s) and joint venture(s) **	144	
Total revenue of associated corporations (amount from line 550 on Schedule 511)	146	120,623,224
Total revenue (total of lines 142 to 146)		171,212,224

The corporation is subject to CMT if:
- for tax years ending before July 1, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are more than $5,000,000, or the total revenue for the year of the corporation or the associated group of corporations is more than $10,000,000.
- for tax years ending after June 30, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are equal to or more than $50,000,000, and the total revenue for the year of the corporation or the associated group of corporations is equal to or more than $100,000,000.

If the corporation is not subject to CMT, do not complete the remaining parts unless the corporation is deducting a CMT credit, or has a CMT credit carryforward, a CMT loss carryforward, a current year CMT loss, or SAT payable in the year.

* **Rules for total assets**
- Report total assets according to generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- Do not include unrealized gains and losses on assets and foreign currency gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.
- The amount on line 114 is determined at the end of the last fiscal period of the partnership or joint venture that ends in the tax year of the corporation. Add the proportionate share of the assets of the partnership(s) and joint venture(s), and deduct the recorded asset(s) for the investment in partnerships and joint ventures.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were $1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

** **Rules for total revenue**
- Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- If the tax year is less than 51 weeks, **multiply** the total revenue of the corporation or the partnership, whichever applies, by 365 and **divide** by the number of days in the tax year.
- The amount on line 144 is determined for the partnership or joint venture fiscal period that ends in the tax year of the corporation. If the partnership or joint venture has 2 or more fiscal periods ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were $1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

Part 2 – Adjusted net income/loss for CMT purposes

	Line	Amount		Line	Amount	
Net income/loss per financial statements *				210	2,702,000	
Add (to the extent reflected in income/loss):						
Provision for current income taxes/cost of current income taxes	220					
Provision for deferred income taxes (debits)/cost of future income taxes	222	693,000				
Equity losses from corporations	224					
Financial statement loss from partnerships and joint ventures	226					
Dividends deducted on financial statements (subsection 57(2) of the Ontario Act), excluding dividends paid by credit unions under subsection 137(4.1) of the federal Act	230					
Other additions (see note below):						
Share of adjusted net income of partnerships and joint ventures **	228					
Total patronage dividends received, not already included in net income/loss	232					
281	282					
283	284					
Subtotal		693,000	▶		693,000	A
Deduct (to the extent reflected in income/loss):						
Provision for recovery of current income taxes/benefit of current income taxes	320	11,000				
Provision for deferred income taxes (credits)/benefit of future income taxes	322					
Equity income from corporations	324					
Financial statement income from partnerships and joint ventures	326					
Dividends deductible under section 112, section 113, or subsection 138(6) of the federal Act	330					
Dividends not taxable under section 83 of the federal Act (from Schedule 3)	332					
Gain on donation of listed security or ecological gift	340					
Accounting gain on transfer of property to a corporation under section 85 or 85.1 of the federal Act ***	342					
Accounting gain on transfer of property to/from a partnership under section 85 or 97 of the federal Act ****	344					
Accounting gain on disposition of property under subsection 13(4), subsection 14(6), or section 44 of the federal Act *****	346					
Accounting gain on a windup under subsection 88(1) of the federal Act or an amalgamation under section 87 of the federal Act	348					
Other deductions (see note below):						
Share of adjusted net loss of partnerships and joint ventures **	328					
Tax payable on dividends under subsection 191.1(1) of the federal Act **multiplied** by 3	334					
Interest deducted/deductible under paragraph 20(1)(c) or (d) of the federal Act, not already included in net income/loss	336					
Patronage dividends paid (from Schedule 16) not already included in net income/loss	338					
381 2022 tax component of net movement in reg balances	382	693,000				
383	384					
385	386					
387	388					
389	390					
Subtotal		704,000	▶		704,000	B
Adjusted net income/loss for CMT purposes (line 210 **plus** amount A **minus** amount B)				490	2,691,000	

If the amount on line 490 is positive and the corporation is subject to CMT as determined in Part 1, enter the amount on line 515 in Part 3.

If the amount on line 490 is negative, enter the amount on line 760 in Part 7 (enter as a positive amount).

Note

In accordance with *Ontario Regulation 37/09*, when calculating net income for CMT purposes, accounting income should be adjusted to:

– exclude unrealized gains and losses due to mark-to-market changes or foreign currency changes on specified mark-to-market property (assets only);
– include realized gains and losses on the disposition of specified mark-to-market property not already included in the accounting income, if the property is not a capital property or is a capital property disposed in the year or in a previous tax year ended after March 22, 2007.

"Specified mark-to-market property" is defined in subsection 54(1) of the Ontario Act.

These rules also apply to partnerships. A corporate partner's share of a partnership's adjusted income flows through on a proportionate basis to the corporate partner.

* **Rules for net income/loss**

– Banks must report net income/loss as per the report accepted by the Superintendent of Financial Institutions under the federal *Bank Act*, adjusted so consolidation and equity methods are not used.

Part 2 – Calculation of adjusted net income/loss for CMT purposes (continued)

– Life insurance corporations must report net income/loss as per the report accepted by the federal Superintendent of Financial Institutions or equivalent provincial insurance regulator, before SAT and adjusted so consolidation and equity methods are not used. If the life insurance corporation is resident in Canada and carries on business in and outside of Canada, **multiply** the net income/loss by the ratio of the Canadian reserve liabilities **divided** by the total reserve liability. The reserve liabilities are calculated in accordance with Regulation 2405(3) of the federal Act.

– Other corporations must report net income/loss in accordance with generally accepted accounting principles, except that consolidation and equity methods must not be used. When the equity method has been used for accounting purposes, equity losses and equity income are removed from book income/loss on lines 224 and 324 respectively.

– Corporations, other than insurance corporations, should report net income from line 9999 of the GIFI (Schedule 125) on line 210.

** The share of the adjusted net income of a partnership or joint venture is calculated as if the partnership or joint venture were a corporation and the tax year of the partnership or joint venture were its fiscal period. For a corporation with an indirect interest in a partnership through one or more partnerships, determine the corporation's share according to clause 54(5)(c) of the Ontario Act.

*** A joint election will be considered made under subsection 60(1) of the Ontario Act if there is an entry on line 342, and an election has been made for transfer of property to a corporation under subsection 85(1) of the federal Act.

**** A joint election will be considered made under subsection 60(2) of the Ontario Act if there is an entry on line 344, and an election has been made under subsection 85(2) or 97(2) of the federal Act.

***** A joint election will be considered made under subsection 61(1) of the Ontario Act if there is an entry on line 346, and an election has been made under subsection 13(4) or 14(6) and/or section 44 of the federal Act.

For more information on how to complete this part, see the *T2 Corporation – Income Tax Guide*.

Part 3 – CMT payable

Adjusted net income for CMT purposes (line 490 in Part 2, if positive)		515	2,691,000	
Deduct:				
CMT loss available (amount R from Part 7)				
Minus: Adjustment for an acquisition of control *	518			
Adjusted CMT loss available		▶		C
Net income subject to CMT calculation (if negative, enter "0")		520	2,691,000	

Amount from line 520		Number of days in the tax year before July 1, 2010 / Number of days in the tax year				
2,691,000	x	/ 365	x	4 % =		1

Amount from line 520		Number of days in the tax year after June 30, 2010 / Number of days in the tax year				
2,691,000	x	365 / 365	x	2.7 % =	72,657	2

Subtotal (amount 1 **plus** amount 2) 72,657 3

Gross CMT: amount on line 3 above x OAF **	540	72,657	
Deduct:			
Foreign tax credit for CMT purposes ***	550		
CMT after foreign tax credit deduction (line 540 **minus** line 550) (if negative, enter "0")		72,657	D
Deduct:			
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)		80,003	
Net CMT payable (if negative, enter "0")			E

Enter amount E on line 278 of Schedule 5, *Tax Calculation Supplementary – Corporations*, and complete Part 4.

* Enter the portion of CMT loss available that exceeds the adjusted net income for the tax year from carrying on a business before the acquisition of control. See subsection 58(3) of the Ontario Act.

*** Enter "0" on line 550 for life insurance corporations as they are not eligible for this deduction. For all other corporations, enter the cumulative total of amount J for the province of Ontario from Part 9 of Schedule 21 on line 550.

** **Calculation of the Ontario allocation factor (OAF):**

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "Ontario," enter "1" on line F.

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "multiple," complete the following calculation, and enter the result on line F:

Ontario taxable income **** / Taxable income ***** =

Ontario allocation factor .... 1.00000 F

**** Enter the amount allocated to Ontario from column F in Part 1 of Schedule 5. If the taxable income is nil, calculate the amount in column F as if the taxable income were $1,000.

***** Enter the taxable income amount from line 360 or amount Z of the T2 return, whichever applies. If the taxable income is nil, enter "1,000".

Part 4 – Calculation of CMT credit carryforward

CMT credit carryforward at the end of the previous tax year *		12,948	G		
Deduct:					
CMT credit expired *	600				
CMT credit carryforward at the beginning of the current tax year * (see note below)		12,948	▶ 620	12,948	
Add:					
CMT credit carryforward balances transferred on an amalgamation or the windup of a subsidiary (see note below)			650		
CMT credit available for the tax year (amount on line 620 **plus** amount on line 650)				12,948	H
Deduct:					
CMT credit deducted in the current tax year (amount P from Part 5)				7,346	I
Subtotal (amount H **minus** amount I)				5,602	J
Add:					
Net CMT payable (amount E from Part 3)					
SAT payable (amount O from Part 6 of Schedule 512)					
Subtotal			▶		K
CMT credit carryforward at the end of the tax year (amount J **plus** amount K)			670	5,602	L

* For the first harmonized T2 return filed with a tax year that includes days in 2009:
- do not enter an amount on line G or line 600;
- for line 620, enter the amount from line 2336 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line G the amount from line 670 of Schedule 510 from the previous tax year.

Note: If you entered an amount on line 620 or line 650, complete Part 6.

Part 5 – Calculation of CMT credit deducted from Ontario corporate income tax payable

CMT credit available for the tax year (amount H from Part 4)					12,948	M
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)			80,003	1		
For a corporation that is not a life insurance corporation:						
CMT after foreign tax credit deduction (amount D from Part 3)	72,657	2				
For a life insurance corporation:						
Gross CMT (line 540 from Part 3)		3				
Gross SAT (line 460 from Part 6 of Schedule 512)		4				
The **greater** of amounts 3 and 4		5				
Deduct: line 2 or line 5, whichever applies:			72,657	6		
Subtotal (if negative, enter "0")			7,346	▶	7,346	N
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)			80,003			
Deduct:						
Total refundable tax credits excluding Ontario qualifying environmental trust tax credit (amount J6 **minus** line 450 from Schedule 5)			3,000			
Subtotal (if negative, enter "0")			77,003	▶	77,003	O
CMT credit deducted in the current tax year (least of amounts M, N, and O)					7,346	P

Enter amount P on line 418 of Schedule 5 and on line I in Part 4 of this schedule.

Is the corporation claiming a CMT credit earned before an acquisition of control? **675** 1 Yes ☐ 2 No ☒

If you answered **yes** to the question at line 675, the CMT credit deducted in the current tax year may be restricted. For information on how the deduction may be restricted, see subsections 53(6) and (7) of the Ontario Act.

Part 6 – Analysis of CMT credit available for carryforward by year of origin

Complete this part if:
- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	CMT credit balance *
10th previous tax year	680
9th previous tax year	681
8th previous tax year	682
7th previous tax year	683
6th previous tax year	684
5th previous tax year	685
4th previous tax year	686
3rd previous tax year	687
2nd previous tax year	688
1st previous tax year	689
Total **	

* CMT credit that was earned (by the corporation, predecessors of the corporation, and subsidiaries wound up into the corporation) in each of the previous 10 tax years and has not been deducted.

** Must equal the total of the amounts entered on lines 620 and 650 in Part 4.

Part 7 – Calculation of CMT loss carryforward

CMT loss carryforward at the end of the previous tax year * . . . . Q

Deduct:

CMT loss expired * 700

CMT loss carryforward at the beginning of the tax year * (see note below) . . . . ▶ 720

Add:

CMT loss transferred on an amalgamation under section 87 of the federal Act ** (see note below) 750

CMT loss available (line 720 **plus** line 750) . . . . R

Deduct:

CMT loss deducted against adjusted net income for the tax year (lesser of line 490 (if positive) and line C in Part 3) . . . .

Subtotal (if negative, enter "0") S

Add:

Adjusted net loss for CMT purposes (amount from line 490 in Part 2, if **negative**) (enter as a positive amount) 760

CMT loss carryforward balance at the end of the tax year (amount S **plus** line 760) . . . . 770 T

* For the first harmonized T2 return filed with a tax year that includes days in 2009:
- do not enter an amount on line Q or line 700;
- for line 720, enter the amount from line 2214 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line Q the amount from line 770 of Schedule 510 from the previous tax year.

** Do not include an amount from a predecessor corporation if it was controlled at any time before the amalgamation by any of the other predecessor corporations.

Note: If you entered an amount on line 720 or line 750, complete Part 8.

Part 8 – Analysis of CMT loss available for carryforward by year of origin

Complete this part if:

- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	Balance earned in a tax year ending before March 23, 2007 *	Balance earned in a tax year ending after March 22, 2007 **
10th previous tax year	810	820
9th previous tax year	811	821
8th previous tax year	812	822
7th previous tax year	813	823
6th previous tax year	814	824
5th previous tax year	815	825
4th previous tax year	816	826
3rd previous tax year	817	827
2nd previous tax year	818	828
1st previous tax year		829
Total ***		

* Adjusted net loss for CMT purposes that was earned (by the corporation, by subsidiaries wound up into or amalgamated with the corporation before March 22, 2007, and by other predecessors of the corporation) in each of the previous 10 tax years that ended before March 23, 2007, and has not been deducted.

** Adjusted net loss for CMT purposes that was earned (by the corporation and its predecessors, but not by a subsidiary predecessor) in each of the previous 20 tax years that ended after March 22, 2007, and has not been deducted.

*** The total of these two columns must equal the total of the amounts entered on lines 720 and 750.

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SCHEDULE 511

ONTARIO CORPORATE MINIMUM TAX – TOTAL ASSETS AND REVENUE FOR ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2022-12-31

- For use by corporations to report the total assets and total revenue of all the Canadian or foreign corporations with which the filing corporation was associated at any time during the tax year. These amounts are required to determine if the filing corporation is subject to corporate minimum tax.
- Total assets and total revenue include the associated corporation's share of any partnership(s)/joint venture(s) total assets and total revenue.
- Attach additional schedules if more space is required.
- File this schedule with the *T2 Corporation Income Tax Return*.

	Names of associated corporations 200	Business number (Canadian corporation only) (see Note 1) 300	Total assets* (see Note 2) 400	Total revenue** (see Note 2) 500
1	Innservices Utilities Inc.	81689 7326 RC0001	49,506,000	20,283,000
2	Town of Innisfil	NR	50,000,000	100,000,000
3	Innterprises Inc.	86556 4595 RC0001	1,731,673	340,224
		Total	450 101,237,673	550 120,623,224

Enter the total assets from line 450 on line 116 in Part 1 of Schedule 510, *Ontario Corporate Minimum Tax*.
Enter the total revenue from line 550 on line 146 in Part 1 of Schedule 510.

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

Note 2: If the associated corporation does not have a tax year that ends in the filing corporation's current tax year but was associated with the filing corporation in the previous tax year of the filing corporation, enter the total revenue and total assets from the tax year of the associated corporation that ends in the previous tax year of the filing corporation.

* **Rules for total assets**

– Report total assets in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
– Include the associated corporation's share of the total assets of partnership(s) and joint venture(s) but exclude the recorded asset(s) for the investment in partnerships and joint ventures.
– Exclude unrealized gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.

** **Rules for total revenue**

– Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
– If the associated corporation has 2 or more tax years ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of those tax years by 365 and **divide** by the total number of days in all of those tax years.
– If the associated corporation's tax year is less than 51 weeks and is the only tax year of the associated corporation that ends in the filing corporation's tax year, **multiply** the associated corporation's total revenue by 365 and **divide** by the number of days in the associated corporation's tax year.
– Include the associated corporation's share of the total revenue of partnerships and joint ventures.
– If the partnership or joint venture has 2 or more fiscal periods ending in the associated corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.

T2 SCH 511

Canada

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SCHEDULE 550

ONTARIO CO-OPERATIVE EDUCATION TAX CREDIT

Name of corporation	Business Number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2022-12-31

- Use this schedule to claim an Ontario co-operative education tax credit (CETC) under section 88 of the *Taxation Act, 2007* (Ontario).
- The CETC is a refundable tax credit that is equal to an eligible percentage (10% to 30%) of the eligible expenditures incurred by a corporation for a qualifying work placement. The maximum credit amount is $1,000 for each qualifying work placement ending before March 27, 2009, and $3,000 for each qualifying work placement beginning after March 26, 2009. For a qualifying work placement that straddles March 26, 2009, the maximum credit amount is prorated.
- Eligible expenditures are salaries and wages (including taxable benefits) paid or payable to a student in a qualifying work placement, or fees paid or payable to an employment agency for services performed by the student in a qualifying work placement. These expenditures must be paid on account of employment or services, as applicable, at a permanent establishment of the corporation in Ontario. Expenditures for a work placement (WP) are not eligible expenditures if they are greater than the amounts that would be paid to an arm's length employee.
- A WP must meet all of the following conditions to be a qualifying work placement:
  - the student performs employment duties for a corporation under a qualifying co-operative education program (QCEP);
  - the WP has been developed or approved by an eligible educational institution as a suitable learning situation;
  - the terms of the WP require the student to engage in productive work;
  - the WP is for a period of at least 10 consecutive weeks or, in the case of an internship program, not less than 8 consecutive months and not more than 16 consecutive months;
  - the student is paid for the work performed in the WP;
  - the corporation is required to supervise and evaluate the job performance of the student in the WP;
  - the institution monitors the student's performance in the WP; and
  - the institution has certified the WP as a qualifying work placement.
- Make sure you keep a copy of the letter of certification from the Ontario eligible educational institution containing the name of the student, the employer, the institution, the term of the WP, and the name/discipline of the QCEP to support the claim. Do not submit the letter of certification with the *T2 Corporation Income Tax Return*.
- File this schedule with the *T2 Corporation Income Tax Return*.

Part 1 – Corporate information

110 Name of person to contact for more information: Lisa McCaskie

120 Telephone number including area code: (705) 431-6870

Is the claim filed for a CETC earned through a partnership?* . . . . . **150** 1 Yes [ ] 2 No [X]

If you answered **yes** to the question at line 150, what is the name of the partnership? . . . . . **160** ______

Enter the percentage of the partnership's CETC allocated to the corporation . . . . . **170** ______ %

* When a corporate member of a partnership is claiming an amount for eligible expenditures incurred by a partnership, complete a Schedule 550 for the partnership as if the partnership were a corporation. Each corporate partner, other than a limited partner, should file a separate Schedule 550 to claim the partner's share of the partnership's CETC. The allocated amounts can not exceed the amount of the partnership's CETC.

Part 2 – Eligibility

1. Did the corporation have a permanent establishment in Ontario in the tax year? . . . . . **200** 1 Yes [X] 2 No [ ]
2. Was the corporation exempt from tax under Part III of the *Taxation Act*, 2007 (Ontario)? . . . . . **210** 1 Yes [ ] 2 No [X]

If you answered **no** to question 1 or **yes** to question 2, then the corporation is **not eligible** for the CETC.

Part 3 – Eligible percentage for determining the eligible amount

Corporation's salaries and wages paid in the previous tax year * **300** 3,620,000

For eligible expenditures incurred before March 27, 2009:

- If line 300 is $400,000 or less, enter 15% on line 310.
- If line 300 is $600,000 or more, enter 10% on line 310.
- If line 300 is more than $400,000 and less than $600,000, enter the percentage on line 310 using the following formula:

$$\text{Eligible percentage} = 15\,\% - \left[5\,\% \times \frac{(\text{amount on line 300 } \textbf{minus} \ \$\ 400{,}000)}{\$\ 200{,}000} \right]$$

Eligible percentage for determining the eligible amount . . . . **310** 10.000 %

For eligible expenditures incurred after March 26, 2009:

- If line 300 is $400,000 or less, enter 30% on line 312.
- If line 300 is $600,000 or more, enter 25% on line 312.
- If line 300 is more than $400,000 and less than $600,000, enter the percentage on line 312 using the following formula:

$$\text{Eligible percentage} = 30\,\% - \left[5\,\% \times \frac{(\text{amount on line 300 } \textbf{minus} \ \$\ 400{,}000)}{\$\ 200{,}000} \right]$$

Eligible percentage for determining the eligible amount . . . . **312** 25.000 %

* If this is the first tax year of an amalgamated corporation and subsection 88(9) of the *Taxation Act, 2007* (Ontario) applies, enter the salaries and wages paid in the previous tax year by the predecessor corporations.

Part 4 – Calculation of the Ontario co-operative education tax credit

Complete a separate entry for each student for each qualifying work placement that ended in the corporation's tax year. If a qualifying work placement would otherwise exceed four consecutive months, divide the WP into periods of four consecutive months and enter each full period of four consecutive months as a separate WP. If the WP does not divide equally into four-month periods and if the period that is less than 4 months is 10 or more consecutive weeks, then enter that period as a separate WP. If that period is less than 10 consecutive weeks, then include it with the WP for the last period of 4 consecutive months. Consecutive WPs with two or more associated corporations are deemed to be with only one corporation, as designated by the corporations.

	A Name of university, college, or other eligible educational institution **400**	B Name of qualifying co-operative education program **405**
1.	Georgian College	Business Administration
2.		

	C Name of student **410**	D Start date of WP (see note 1 below) **430**	E End date of WP (see note 2 below) **435**
1.	Megan Turner	2022-01-01	2022-04-26
2.			

Note 1: When the WP has been divided into separate periods because it exceeds four consecutive months, enter the start date for the separate WP.

Note 2: When the WP has been divided into separate periods because it exceeds four consecutive months, enter the end date for the separate WP.

Part 4 – Calculation of the Ontario co-operative education tax credit (continued)

	F1 Eligible expenditures before March 27, 2009 (see note 1 below) 450	Eligible percentage before March 27, 2009 (from line 310 in Part 3)	F2 Eligible expenditures after March 26, 2009 (see note 1 below) 452	Eligible percentage after March 26, 2009 (from line 310a in Part 3)	X Number of consecutive weeks of the WP completed by the student before March 27, 2009 (see note 3 below)	Y Total number of consecutive weeks of the student's WP (see note 3 below)
1.		10.000 %	19,580	25.000 %		16
2.		10.000 %		25.000 %		

	G Eligible amount (eligible expenditures **multiplied** by eligible percentage) (see note 2 below) 460	H Maximum CETC per WP (see note 3 below) 462	I CETC on eligible expenditures (column G or H, whichever is less) 470	J CETC on repayment of government assistance (see note 4 below) 480	K CETC for each WP (column I or column J) 490
1.	4,895	3,000	3,000		3,000
2.					

Ontario co-operative education tax credit (total of amounts in column K) **500** 3,000 **L**

or, if the corporation answered **yes** at line 150 in Part 1, determine the partner's share of amount L:

Amount L ________ x percentage on line 170 in Part 1 ________ % = ... **M**

Enter amount L or M, whichever applies, on line 452 of Schedule 5, *Tax Calculation Supplementary – Corporations*. If you are filing more than one Schedule 550, add the amounts from line L or M, whichever applies, on all the schedules and enter the total amount on line 452 of Schedule 5.

Note 1: Reduce eligible expenditures by all government assistance, as defined under subsection 88(21) of the *Taxation Act, 2007* (Ontario), that the corporation has received, is entitled to receive, or may reasonably expect to receive, for the eligible expenditures, on or before the filing due date of the *T2 Corporation Income Tax Return* for the tax year.

Note 2: Calculate the eligible amount (Column G) using the following formula:

Column G = (column F1 x percentage on line 310) + (column F2 x percentage on line 312)

Note 3: If the WP ends before March 27, 2009, the maximum credit amount for the WP is $1,000.
If the WP begins after March 26, 2009, the maximum credit amount for the WP is $3,000.
If the WP begins before March 27, 2009, and ends after March 26, 2009, calculate the maximum credit amount using the following formula:

($1,000 x X/Y) + [$3,000 x (Y – X)/Y]

where "X" is the number of consecutive weeks of the WP completed by the student before March 27, 2009,
and "Y" is the total number of consecutive weeks of the student's WP.

Note 4: When claiming a CETC for repayment of government assistance, complete a **separate entry** for each repayment and complete columns A to E and J and K with the details for the previous year WP in which the government assistance was received.
Include the amount of government assistance repaid in the tax year multiplied by the eligible percentage for the tax year in which the government assistance was received, to the extent that the government assistance reduced the CETC in that tax year.

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Information Return for Corporations Filing Electronically

- **Do not send this form to the Canada Revenue Agency (CRA) unless we ask for it. We will not keep or return this form.**
- Complete this return for every initial and amended T2 Corporation Income Tax Return electronically filed with the CRA on your behalf.
- By completing Part 2 and signing Part 3, you acknowledge that, under the federal Income Tax Act, you have to keep all records used to prepare your T2 Corporation Income Tax Return, and provide this information to us on request.
- Part 4 must be completed by either you or the electronic transmitter of your T2 Corporation Income Tax Return.
- Give the signed original of this return to the transmitter and keep a copy in your own records for six years.
- We are responsible for ensuring the confidentiality of your electronically filed tax information only after we have accepted your return.

Part 1 – Identification

Corporation's name: InnPower Corporation

Business number: 89242 2817 RC0001

Tax year start (Year Month Day): 2022-01-01

Tax year-end (Year Month Day): 2022-12-31

Is this an amended return? ☐ Yes ☒ No

Get your CRA mail electronically delivered in My Business Account at canada.ca/my-cra-business-account (optional)

Email address: ______________________

I understand that by providing an email address, I am **registering** the corporation to receive email notifications from the CRA. I understand and agree that all notices and other correspondence eligible for electronic delivery will no longer be printed and mailed. The CRA will notify the corporation at this email address when they are available in My Business Account and requiring immediate attention. They will be presumed to have been received on the date that the email is sent. For more information, see **canada.ca/cra-business-email-notifications**.

Part 2 – Declaration

Enter the following amounts, if applicable, from the T2 return for the tax year noted above:

Net income or loss for income tax purposes from Schedule 1, financial statements, or General Index of Financial Information (GIFI) (line 300)	787,925
Part I tax payable (line 700)	
Part III.1 tax payable (line 710)	
Part IV tax payable (line 712)	
Part IV.1 tax payable (line 716)	
Part VI tax payable (line 720)	
Part VI.1 tax payable (line 724)	
Part XIV tax payable (line 728)	
Net provincial and territorial tax payable (line 760)	

Part 3 – Certification and authorization

I, McAllister (Last name) Glen (First name) CFO (Position, office, or rank),

am an authorized signing officer of the corporation. I certify that I have examined the T2 Corporation Income Tax Return, including accompanying schedules and statements, and that the information given on the T2 return and this T183 Corp information return is, to the best of my knowledge, correct and complete. I also certify that the method of calculating income for this tax year is consistent with that of the previous tax year except as specifically disclosed in a statement attached to this return.

I authorize the transmitter identified in Part 4 to electronically file the T2 Corporation Income Tax Return identified in Part 1. The transmitter can also modify the information originally filed in response to any errors Canada Revenue Agency identifies. This authorization expires when the Minister of National Revenue accepts the electronic return as filed.

Date (yyyy/mm/dd)	Signature of an authorized signing officer of the corporation	Telephone number
2023-06-15		(705) 431-6870

The CRA will accept an electronic signature if it is applied in accordance with the guidance specified by the CRA.

Part 4 – Transmitter identification

The following transmitter has electronically filed the tax return of the corporation identified in Part 1.

Name of person or firm	Electronic filer number
KPMG LLP	G1829

Privacy notice

Personal information is collected for the purposes of the administration or enforcement of the Income Tax Act and related programs and activities including administering tax, benefits, audit, compliance, and collection. The information collected may be used or disclosed for purposes of other federal acts that provide for the imposition and collection of a tax or duty. It may also be disclosed to other federal, provincial, territorial, or foreign government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties, or other actions. Under the Privacy Act, individuals have a right of protection, access to and correction of their personal information, or to file a complaint with the Privacy Commissioner of Canada regarding the handling of their personal information. Refer to Personal Information Bank CRA PPU 047 and CRA PPU 211 on Info Source at **canada.ca/cra-info-source**.

Canada Revenue Agency / Agence du revenu du Canada

T2 Corporation Income Tax Return

200

EXEMPT FROM TAX

055 Do not use this area

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

All legislative references on this return are to the federal Income Tax Act and Income Tax Regulations. This return may contain changes that had not yet become law at the time of publication.

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

For more information see **canada.ca/taxes** or Guide T4012, T2 Corporation – Income Tax Guide.

Identification

Business number (BN) **001** 89242 2817 RC0001

Corporation's name
002 InnPower Corporation

Address of head office
Has this address changed since the last time the CRA was notified? . . . . **010** Yes [ ] No [X]
If **yes**, complete lines 011 to 018.
011 7251 Yonge Street
012
City: **015** Innisfil — Province, territory, or state: **016** ON
Country (other than Canada): **017** — Postal or ZIP code: **018** L9S 0J3

Mailing address (if different from head office address)
Has this address changed since the last time the CRA was notified? . . . . **020** Yes [ ] No [X]
If **yes**, complete lines 021 to 028.
021 c/o
022 7251 Yonge Street
023
City: **025** Innisfil — Province, territory, or state: **026** ON
Country (other than Canada): **027** — Postal or ZIP code: **028** L9S 0J3

Location of books and records (if different from head office address)
Has this address changed since the last time the CRA was notified? . . . . **030** Yes [ ] No [X]
If **yes**, complete lines 031 to 038.
031 7251 Yonge Street
032
City: **035** Innisfil — Province, territory, or state: **036** ON
Country (other than Canada): **037** — Postal or ZIP code: **038** L9S 0J3

040 **Type of corporation at the end of the tax year** (tick one)
- [X] 1 Canadian-controlled private corporation (CCPC)
- [ ] 2 Other private corporation
- [ ] 3 Public corporation
- [ ] 4 Corporation controlled by a public corporation
- [ ] 5 Other corporation (specify)

If the type of corporation changed during the tax year, provide the effective date of the change . . . . **043** Year Month Day

To which tax year does this return apply?
Tax year start: **060** Year Month Day 2022-01-01
Tax year-end: **061** Year Month Day 2022-12-31

Has there been an acquisition of control resulting in the application of subsection 249(4) since the tax year start on line 060? . . . . **063** Yes [ ] No [X]
If **yes**, provide the date control was acquired . . . . **065** Year Month Day

Is the date on line 061 a deemed tax year-end according to subsection 249(3.1)? . . . . **066** Yes [ ] No [X]

Is the corporation a professional corporation that is a member of a partnership? . . . . **067** Yes [ ] No [X]

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

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

Is this the final tax year before amalgamation? . . . . **076** Yes [ ] No [X]

Is this the final return up to dissolution? . . . . **078** Yes [ ] No [X]

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

Is the corporation a resident of Canada? **080** Yes [X] No [ ]
If **no**, give the country of residence on line 081 and complete and attach Schedule 97.
081

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

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

Do not use this area
095 **096** **898**

Attachments

Financial statement information: Use GIFI schedules 100, 125, and 141.
Schedules – Answer the following questions. For each **yes** response, **attach** the schedule to the T2 return, unless otherwise instructed.

		Yes	Schedule
Is the corporation related to any other corporations?	150	X	9
Is the corporation an associated CCPC?	160	X	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	161		49
Does the corporation have any non-resident shareholders who own voting shares?	151		19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
If you answered **yes** to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
Is the corporation claiming a loss or deduction from a tax shelter?	166		T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	167		T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust (without reference to section 94)?	168		22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	169		25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the Income Tax Regulations?	170		29
Did the corporation have a total amount over CAN$1 million of reportable transactions with non-arm's length non-residents?	171		T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172		———
Does the corporation earn income from one or more Internet web pages or websites?	180		88
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
Has the corporation made any charitable donations; gifts of cultural or ecological property; or gifts of medicine?	202	X	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203	X	3
Is the corporation claiming any type of losses?	204		4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205		5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	206		6
i) Is the corporation a CCPC and reporting a) income or loss from property (other than dividends deductible on line 320 of the T2 return), b) income from a partnership, c) income from a foreign business, d) income from a personal services business, e) income referred to in clause 125(1)(a)(i)(C) or 125(1)(a)(i)(B), f) aggregate investment income as defined in subsection 129(4), or g) an amount assigned to it under subsection 125(3.2) or 125(8); or ii) Is the corporation a member of a partnership and assigning its specified partnership business limit to a designated member under subsection 125(8)?	207	X	7
Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
Does the corporation have any resource-related deductions?	212		12
Is the corporation claiming deductible reserves?	213		13
Is the corporation claiming a patronage dividend deduction?	216		16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or a provincial credit union tax reduction?	217		17
Is the corporation an investment corporation or a mutual fund corporation?	218		18
Is the corporation carrying on business in Canada as a non-resident corporation?	220		20
Is the corporation claiming any federal, provincial, or territorial foreign tax credits, or any federal logging tax credits?	221		21
Does the corporation have any Canadian manufacturing and processing profits?	227		27
Is the corporation claiming an investment tax credit?	231		31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232		T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over $10,000,000?	233	X	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over $10,000,000?	234	X	———
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
Is the corporation claiming a Part I tax credit?	242		42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
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		39
Is the corporation claiming a Canadian film or video production tax credit?	253		T1131
Is the corporation claiming a film or video production services tax credit?	254		T1177
Is the corporation claiming a Canadian journalism labour tax credit?	272		58
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	255		92

Attachments (continued)

		Yes	Schedule
Did the corporation have any foreign affiliates in the tax year?	271		T1134
Did the corporation own or hold specified foreign property where the total cost amount of all such property, at any time in the year, was more than CAN$100,000?	259		T1135
Did the corporation transfer or loan property to a non-resident trust?	260		T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261		T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262		T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263		T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264		T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	265	X	55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	266		T2002
Has the corporation revoked any previous election made under subsection 89(11)?	267		T2002
Did the corporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its general rate income pool (GRIP) change in the tax year?	268	X	53
Did the corporation (other than a CCPC or DIC) pay eligible dividends, or did its low rate income pool (LRIP) change in the tax year?	269		54
Is the corporation claiming a return of fuel charge proceeds to farmers tax credit?	273		63
Are you an employer reporting a non-qualified security agreement under subsection 110(1.9)?	274		59
Is the corporation claiming an air quality improvement tax credit?	275		65
Is the corporation subject to the additional 1.5% tax on banks and life insurers?	276		68

Additional information

		Yes	No
Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	X	
Is the corporation inactive?	280		X

What is the corporation's main revenue-generating business activity? 221122 Electric Power Distribution

Specify the principal products mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

284	Electricity distributor	285	100.000 %
286		287	%
288		289	%

		Yes	No
Did the corporation immigrate to Canada during the tax year?	291		X
Did the corporation emigrate from Canada during the tax year?	292		X
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293		

If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible 294 Year Month Day

If the corporation's major business activity is construction, did you have any subcontractors during the tax year? 295 Yes ☐ No ☐

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI	300		787,925	A
Deduct:				
Charitable donations from Schedule 2	311	1,250		
Cultural gifts from Schedule 2	313			
Ecological gifts from Schedule 2	314			
Gifts of medicine made before March 22, 2017, from Schedule 2	315			
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320			
Part VI.1 tax deduction*	325			
Non-capital losses of previous tax years from Schedule 4	331			
Net capital losses of previous tax years from Schedule 4	332			
Restricted farm losses of previous tax years from Schedule 4	333			
Farm losses of previous tax years from Schedule 4	334			
Limited partnership losses of previous tax years from Schedule 4	335			
Taxable capital gains or taxable dividends allocated from a central credit union	340			
Prospector's and grubstaker's shares	350			
Employer deduction for non-qualified securities	352			
Subtotal		1,250 ▶	1,250	B
Subtotal (amount A **minus** amount B) (if negative, enter "0")			786,675	C
Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355			D
Taxable income (amount C **plus** amount D)	360		786,675	
Taxable income for the year from a personal services business				Z.1

* This amount is equal to 3.5 times the Part VI.1 tax payable at line 724 on page 9.

Small business deduction

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

Income eligible for the small business deduction from Schedule 7	**400**	2,051,925	A
Taxable income from line 360 on page 3, **minus** 100/28 (3.57143) of the amount on line 632* on page 8, **minus** 4 times the amount on line 636** on page 8, and **minus** any amount that, because of federal law, is exempt from Part I tax	**405**		B
Business limit (see notes 1 and 2 below)	**410**	500,000	C

Notes:

1. For CCPCs that are not associated, enter $ 500,000 on line 410. However, if the corporation's tax year is less than 51 weeks, prorate this amount by the number of days in the tax year **divided** by 365, and enter the result on line 410.
2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

Business limit reduction

Taxable capital business limit reduction for tax years starting before April 7, 2022

Amount C 500,000 x **415** *** 480,284 D / 11,250 = ... 21,345,956 E1

Taxable capital business limit reduction for tax years starting after April 6, 2022

Amount C 500,000 x **415** *** 480,284 D / 90,000 = ... E2

Amount E1 or amount E2, whichever applies 21,345,956 ► 21,345,956 E3

Passive income business limit reduction

Adjusted aggregate investment income from Schedule 7 **** **417** ______ – 50,000 = .. ______ F

Amount C 500,000 / 100,000 x Amount F ______ = ... ______ G

The greater of amount E3 and amount G	**422**	21,345,956	H
Reduced business limit (amount C **minus** amount H) (if negative, enter "0")	**426**		I
Business limit the CCPC assigns under subsection 125(3.2) (from line 515 below)			J
Reduced business limit after assignment (amount I **minus** amount J)	**428**		K
Small business deduction – Amount A, B, C, or K, whichever is the least .... ______ x 19 % =	**430**		

Enter amount from line 430 at amount K on page 8.

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

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

*** **Large corporations**

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

**** Enter the total adjusted aggregate investment income of the corporation and all associated corporations for each tax year that ended in the preceding calendar year. Each corporation with such income has to file a Schedule 7. For a corporation's first tax year that starts after 2018, this amount is reported at line 744 of the corresponding Schedule 7. Otherwise, this amount is the total of all amounts reported at line 745 of the corresponding Schedule 7 of the corporation for each tax year that ended in the preceding calendar year.

Small business deduction (continued)

Specified corporate income and assignment under subsection 125(3.2)

	L1 Name of corporation receiving the income and assigned amount	L Business number of the corporation receiving the assigned amount 490	M Income paid under clause 125(1)(a)(i)(B) to the corporation identified in column L [3] 500	N Business limit assigned to corporation identified in column L [4] 505
1.				
			Total 510	Total 515

Notes:

3. This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts each of which is income (other than specified farming or fishing income of the corporation for the year) from an active business of the corporation for the year from the provision of services or property to a private corporation (directly or indirectly, in any manner whatever) if
   (A) at any time in the year, the corporation (or one of its shareholders) or a person who does not deal at arm's length with the corporation (or one of its shareholders) holds a direct or indirect interest in the private corporation, and
   (B) it is not the case that all or substantially all of the corporation's income for the year from an active business is from the provision of services or property to
   (I) persons (other than the private corporation) with which the corporation deals at arm's length, or
   (II) partnerships with which the corporation deals at arm's length, other than a partnership in which a person that does not deal at arm's length with the corporation holds a direct or indirect interest.
4. The amount of the business limit you assign to a CCPC cannot be greater than the amount determined by the formula A – B, where A is the amount of income referred to in column M in respect of that CCPC and B is the portion of the amount described in A that is deductible by you in respect of the amount of income referred to in clauses 125(1)(a)(i)(A) or (B) for the year. The amount on line 515 cannot be greater than the amount on line 426.

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the tax year

Taxable income from line 360 on page 3				A
Lesser of amounts 9B and 9H from Part 9 of Schedule 27		B		
Amount 13K from Part 13 of Schedule 27		C		
Personal services business income	432	D		
Amount from line 400, 405, 410, or 428 on page 4, whichever is the least		E		
Aggregate investment income from line 440 on page 6*		F		
Subtotal (**add** amounts B to F)		▶		G
Amount A **minus** amount G (if negative, enter "0")				H
General tax reduction for Canadian-controlled private corporations – Amount H **multiplied** by 13 %				I

Enter amount I on line 638 on page 8.

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

General tax reduction

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

Taxable income from line 360 on page 3				J
Lesser of amounts 9B and 9H from Part 9 of Schedule 27		K		
Amount 13K from Part 13 of Schedule 27		L		
Personal services business income	434	M		
Subtotal (**add** amounts K to M)		▶		N
Amount J **minus** amount N (if negative, enter "0")				O
General tax reduction – Amount O **multiplied** by 13 %				P

Enter amount P on line 639 on page 8.

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the tax year

Aggregate investment income from Schedule 7 . . . . **440** ______ x 30 2 / 3 % =			A
Foreign non-business income tax credit from line 632 on page 8		B	
Foreign investment income from Schedule 7 . . . . **445** ______ x 8 % =		C	
Subtotal (amount B **minus** amount C) (if negative, enter "0")		▶	D
Amount A **minus** amount D (if negative, enter "0")			E
Taxable income from line 360 on page 3	786,675	F	
Amount from line 400, 405, 410, or 428 on page 4, whichever is the least . . . . ______ G			
Foreign non-business income tax credit from line 632 on page 8 . . . . ______ x 75 / 29 = ______ H			
Foreign business income tax credit from line 636 on page 8 . . ______ x 4 = ______ I			
Subtotal (**add** amounts G to I) ______ ▶		J	
Subtotal (amount F **minus** amount J)	786,675	K x 30 2 / 3 % =	241,247 L
Part I tax payable minus investment tax credit refund (line 700 **minus** line 780 from page 9)			M
Refundable portion of Part I tax – Amount E, L, or M, whichever is the least **450**			N

Refundable dividend tax on hand

Refundable dividend tax on hand (RDTOH) at the end of the previous tax year	460			
Dividend refund for the previous tax year	465			
Net RDTOH transferred on an amalgamation or the wind-up of a subsidiary	480			
Subtotal (line 460 **minus** line 465 **plus** line 480)				A
General rate income pool (GRIP) at the end of the previous tax year (from line 100 of Schedule 53)				B
Total eligible dividends paid in the previous tax year (from line 300 of Schedule 53)			C	
Total excessive eligible dividend designation in the previous tax year (from line 310 of Schedule 53)			D	
Subtotal (amount C **minus** amount D) (if negative, enter "0")			▶	E
Net GRIP at the end of the previous tax year (amount B **minus** amount E) (if negative, enter "0")			F	
GRIP transferred on an amalgamation or the wind-up of a subsidiary (total of lines 230 and 240 of Schedule 53)			G	
Subtotal (amount F **plus** amount G)			▶	H
Amount H **multiplied** by 38 1 / 3 %				I
Eligible refundable dividend tax on hand (ERDTOH) at the end of the previous tax year (for the first tax year starting after 2018, amount A or I, whichever is less, otherwise, use line 530 ________ of the preceding tax year)	520			J
Non-eligible refundable dividend tax on hand (NERDTOH) at the end of the previous tax year (for the first tax year starting after 2018, amount A **minus** amount I, otherwise, use line 545 ________ of the preceding tax year) (if negative, enter "0")	535			K
Part IV tax payable on taxable dividends from connected corporations (amount 2G from Schedule 3)			L	
Part IV tax payable on eligible dividends from non-connected corporations (amount 2J from Schedule 3)			M	
Subtotal (amount L **plus** amount M)			▶	N
Net ERDTOH transferred on an amalgamation or the wind-up of a subsidiary	525			O
ERDTOH dividend refund for the previous tax year	570			P
Refundable portion of Part I tax (from line 450 on page 6)				Q
Part IV tax before deductions (amount 2A from Schedule 3)			R	
Part IV tax allocated to ERDTOH (amount N)			S	
Part IV tax reduction due to Part IV.1 tax payable (amount 4D of Schedule 43)			T	
Subtotal (amount R **minus** total of amounts S and T)			▶	U
Net NERDTOH transferred on an amalgamation or the wind-up of a subsidiary	540			V
NERDTOH dividend refund for the previous tax year	575			W
38 1/3% of the total losses applied against Part IV tax (amount 2D from Schedule 3)				X
Part IV tax payable allocated to NERDTOH, net of losses claimed (amount U **minus** amount X) (if negative enter "0")				Y
NERDTOH at the end of the tax year (total of amounts K, Q, V, and Y **minus** amount W) (if negative, enter "0")	545			
Part IV tax payable allocated to ERDTOH, net of losses claimed (amount N **minus** the amount, if any, by which amount X exceeds amount U) (if negative, enter "0")				Z
ERDTOH at the end of the tax year (total of amounts J, O, and Z **minus** amount P) (if negative, enter "0")	530			

Dividend refund

38 1/3% of total eligible dividends paid in the tax year (amount 3A from Schedule 3)		AA
ERDTOH balance at the end of the tax year (line 530)		BB
Eligible dividend refund (amount AA or BB, whichever is less)		CC
38 1/3% of total non-eligible taxable dividends paid in the tax year (amount 3B from Schedule 3)	81,492	DD
NERDTOH balance at the end of the tax year (line 545)		EE
Non-eligible dividend refund (amount DD or EE, whichever is less)		FF
Amount DD **minus** amount EE (if negative, enter "0")	81,492	GG
Amount BB **minus** amount CC (if negative, enter "0")		HH
Additional non-eligible dividend refund (amount GG or HH, whichever is less)		II
Dividend refund – Amount CC **plus** amount FF **plus** amount II		JJ

Enter amount JJ on line 784 on page 9.

Part I tax

Base amount Part I tax – Taxable income (from line 360 on page 3) **multiplied** by 38 % . . . . **550** ____ A

Additional tax on personal services business income (section 123.5)

Taxable income from a personal services business . . . . **555** ____ x 5 % = **560** ____ B

Additional tax on banks and life insurers from Schedule 68 . . . . **565** ____ C

Recapture of investment tax credit from Schedule 31 . . . . **602** ____ D

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

Aggregate investment income from line 440 on page 6 . . . . ____ E

Taxable income from line 360 on page 3 . . . . ____ F

Deduct:

Amount from line 400, 405, 410, or 428 on page 4, whichever is the least . . . . ____ G

Net amount (amount F **minus** amount G) ____ ▶ ____ H

Refundable tax on CCPC's investment income – 10 2 / 3 % of whichever is less: amount E or amount H . . . . **604** ____ I

Subtotal (**add** amounts A, B, C, D, and I) ____ J

Deduct:

Small business deduction from line 430 on page 4 . . . . ____ K

Federal tax abatement . . . . **608** ____

Manufacturing and processing profits deduction and zero-emission technology manufacturing deduction from Schedule 27 . . . . **616** ____

Investment corporation deduction . . . . **620** ____

Taxed capital gains **624** ____

Federal foreign non-business income tax credit from Schedule 21 . . . . **632** ____

Federal foreign business income tax credit from Schedule 21 . . . . **636** ____

General tax reduction for CCPCs from amount I on page 5 . . . . **638** ____

General tax reduction from amount P on page 5 . . . . **639** ____

Federal logging tax credit from Schedule 21 . . . . **640** ____

Eligible Canadian bank deduction under section 125.21 . . . . **641** ____

Federal qualifying environmental trust tax credit . . . . **648** ____

Investment tax credit from Schedule 31 . . . . **652** ____

Subtotal ____ ▶ ____ L

Part I tax payable – Amount J **minus** amount L . . . . ____ M

Enter amount M on line 700 on page 9.

Privacy notice

Personal information (including the SIN) is collected to administer or enforce the Income Tax Act and related programs and activities including administering tax, benefits, audit, compliance, and collection. The information collected may be used or disclosed for the purposes of other federal acts that provide for the imposition and collection of a tax or duty. It may also be disclosed to other federal, provincial, territorial, or foreign government institutions to the extent authorized by law. Failure to provide this information may result in paying interest or penalties, or in other actions. Under the Privacy Act, individuals have a right of protection, access to and correction of their personal information, or to file a complaint with the Privacy Commissioner of Canada regarding the handling of their personal information. Refer to Personal Information Bank CRA PPU 047 on Information about Programs and Information Holdings at canada.ca/cra-information-about-programs.

Summary of tax and credits

Federal tax

Part I tax payable from amount M on page 8	700	
Part III.1 tax payable from Schedule 55	710	
Part IV tax payable from Schedule 3	712	
Part IV.1 tax payable from Schedule 43	716	
Part VI tax payable from Schedule 38	720	
Part VI.1 tax payable from Schedule 43	724	
Part VI.2 tax payable from Schedule 67	725	
Part XIII.1 tax payable from Schedule 92	727	
Part XIV tax payable from Schedule 20	728	
Total federal tax		

Add provincial or territorial tax:

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

Net provincial or territorial tax payable (except Quebec and Alberta) 760

Total tax payable 770 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780	
Dividend refund from amount JJ on page 7	784	
Federal capital gains refund from Schedule 18	788	
Federal qualifying environmental trust tax credit refund	792	
Return of fuel charge proceeds to farmers tax credit from Schedule 63	795	
Canadian film or video production tax credit (Form T1131)	796	
Film or video production services tax credit (Form T1177)	797	
Canadian journalism labour tax credit from Schedule 58	798	
Air quality improvement tax credit from Schedule 65	799	
Tax withheld at source	800	
Total payments on which tax has been withheld	801	
Provincial and territorial capital gains refund from Schedule 18	808	
Provincial and territorial refundable tax credits from Schedule 5	812	
Tax instalments paid	840	
Total credits	890	B

Balance (amount A **minus** amount B)

If the result is negative, you have **a refund**. If the result is positive, you have a **balance owing**.
Enter the amount below on whichever line applies.

Generally, the CRA does not charge or refund a difference of $2 or less.

Refund code 894 1 Refund

Balance owing

For information on how to enrol for direct deposit, go to **canada.ca/cra-direct-deposit**.

For information on how to make your payment, go to **canada.ca/payments**.

If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due? 896 Yes ☐ No ☒

If this return was prepared by a tax preparer for a fee, provide their EFILE number 920 G1829

Certification

I, 950 McAllister (Last name) 951 Glen (First name) 954 CFO (Position, office, or rank),

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

955 2023-06-15 Date (yyyy/mm/dd) — Signature of the authorized signing officer of the corporation — 956 (705) 431-6870 Telephone number

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

958 Lisa McCaskie Name of other authorized person — 959 (705) 431-6870 Telephone number

Language of correspondence – Langue de correspondance

Indicate your language of correspondence by entering **1** for English or **2** for French.
Indiquez votre langue de correspondance en inscrivant **1** pour anglais ou **2** pour français. 990 1

Canada Revenue Agency | Agence du revenu du Canada

SCHEDULE 100

Form identifier 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Corporation's name	Business number	Tax year end Year Month Day
InnPower Corporation	89242 2817 RC0001	2022-12-31

Balance sheet information

Account	Description	GIFI		Current year	Prior year
Assets					
	Total current assets	1599	+	23,412,000	13,328,000
	Total tangible capital assets	2008	+	135,261,000	119,937,000
	Total accumulated amortization of tangible capital assets	2009	–	23,763,000	20,021,000
	Total intangible capital assets	2178	+		
	Total accumulated amortization of intangible capital assets	2179	–		
	Total long-term assets	2589	+	11,230,000	10,617,000
	* Assets held in trust	2590	+		
	Total assets (mandatory field)	2599	=	146,140,000	123,861,000
Liabilities					
	Total current liabilities	3139	+	21,617,000	16,565,000
	Total long-term liabilities	3450	+	91,604,000	76,867,000
	* Subordinated debt	3460	+		
	* Amounts held in trust	3470	+		
	Total liabilities (mandatory field)	3499	=	113,221,000	93,432,000
Shareholder equity					
	Total shareholder equity (mandatory field)	3620	+	32,919,000	30,429,000
	Total liabilities and shareholder equity	3640	=	146,140,000	123,861,000
Retained earnings					
	Retained earnings/deficit – end (mandatory field)	3849	=	20,375,000	17,917,000

* Generic item

Canada Revenue Agency | Agence du revenu du Canada

SCHEDULE 125

Form identifier 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2022-12-31

Income statement information

Description	GIFI	
Operating name	0001	
Description of the operation	0002	
Sequence number	0003	01

Account	Description	GIFI		Current year	Prior year
	Income statement information				
	Total sales of goods and services	8089	+	48,238,000	47,519,000
	Cost of sales	8518	–	38,452,000	38,487,000
	Gross profit/loss	8519	=	9,786,000	9,032,000
	Cost of sales	8518	+	38,452,000	38,487,000
	Total operating expenses	9367	+	12,111,000	11,131,000
	Total expenses (mandatory field)	9368	=	50,563,000	49,618,000
	Total revenue (mandatory field)	8299	+	50,589,000	49,353,000
	Total expenses (mandatory field)	9368	–	50,563,000	49,618,000
	Net non-farming income	9369	=	26,000	-265,000
	Farming income statement information				
	Total farm revenue (mandatory field)	9659	+		
	Total farm expenses (mandatory field)	9898	–		
	Net farm income	9899	=		
	Net income/loss before taxes and extraordinary items	9970	=	26,000	-265,000
	Total – other comprehensive income	9998	=	32,000	-17,000
	Extraordinary items and income (linked to Schedule 140)				
	Extraordinary item(s)	9975	–		
	Legal settlements	9976	–		
	Unrealized gains/losses	9980	+		
	Unusual items	9985	–	-3,326,000	-3,757,000
	Current income taxes	9990	–	-11,000	350,000
	Future (deferred) income tax provision	9995	–	693,000	530,000
	Total – Other comprehensive income	9998	+	32,000	-17,000
	Net income/loss after taxes and extraordinary items (mandatory field)	9999	=	2,702,000	2,595,000

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Schedule 141

Notes Checklist

Corporation's name	Business number	Tax Year End Year Month Day
InnPower Corporation	89242 2817 RC0001	2022-12-31

- Fill out this schedule to identify who prepared or reported on the financial statements, the extent of their involvement and to identify the type of information contained in the notes to the financial statements. If the person preparing the tax return is not the person referred to above, they must still complete Parts 1, 2, 3, 4 and 5, as applicable.
- For more information, see Guide RC4088, General Index of Financial Information (GIFI) and T4012, T2 Corporation – Income Tax Guide.
- Complete this schedule and include it with your T2 return along with the other GIFI schedules.

Part 1 – Information on the person who prepared or reported on the financial statements

Were financial statements prepared? . . . . . 111 Yes [X] No [ ]

If you answered **no**, go to part 5.

Does the person who prepared or reported on the financial statements have an accounting professional designation? . . . . . 095 Yes [X] No [ ]

Is that person connected* with the corporation? . . . . . 097 Yes [ ] No [X]

Note: If that person does not have an accounting professional designation or is connected with the corporation, go to part 4.

* 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 with the financial statements

Choose the option that represents the highest level of involvement of the person referred to in part 1: 198

- Completed an auditor's report . . . . . [X] 1
- Completed a review engagement report . . . . . [ ] 2
- Conducted a compilation engagement . . . . . [ ] 3
- Other . . . . . [ ] 4

Part 3 – Reservations

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

Has the person referred to in part 1 expressed a reservation? . . . . . 099 Yes [ ] No [X]

Part 4 – Other information

Were notes to the financial statements prepared? . . . . . 101 Yes [X] No [ ]

If **yes**, complete lines 104 to 107 below:

- Are subsequent events mentioned in the notes? . . . . . 104 Yes [ ] No [X]
- Is re-evaluation of asset information mentioned in the notes? . . . . . 105 Yes [ ] No [X]
- Is contingent liability information mentioned in the notes? . . . . . 106 Yes [ ] No [X]
- Is information regarding commitments mentioned in the notes? . . . . . 107 Yes [X] No [ ]

Does the corporation have investments in joint venture(s) or partnership(s)? . . . . . 108 Yes [ ] No [X]

Part 4 – Other information (continued)

Impairment and fair value changes

In any of the following assets, was an amount recognized in net income or other comprehensive income (OCI) as a result of an impairment loss in the tax year, a reversal of an impairment loss recognized in a previous tax year, or a change in fair value during the tax year? . . . . . 200 Yes [ ] No [X]

If **yes**, enter the amount recognized:

		In net income Increase (decrease)		In OCI Increase (decrease)
Property, plant, and equipment	210		211	
Intangible assets	215		216	
Investment property	220			
Biological assets	225			
Financial instruments	230		231	
Other	235		236	

Financial instruments

Did the corporation derecognize any financial instrument(s) during the tax year (other than trade receivables)? . . . . . 250 Yes [ ] No [X]

Did the corporation apply hedge accounting during the tax year? . . . . . 255 Yes [ ] No [X]

Did the corporation discontinue hedge accounting during the tax year? . . . . . 260 Yes [ ] No [X]

Adjustments to opening equity

Was an amount included in the opening balance of retained earnings or equity, in order to correct an error, to recognize a change in accounting policy, or to adopt a new accounting standard in the current tax year? . . . . . 265 Yes [ ] No [X]

If **yes**, you have to maintain a separate reconciliation.

Part 5 – Information on the person who prepared the information return

If the person that prepared the information return has an accounting professional designation but is not the person associated with the financial statements in part 1 above, choose one of the following options, if applicable: 110

Financial statements provided by client . . . . . [X] 1

Prepared the information return and the financial information contained therein . . . . . [ ] 2

Corporation's name	Business number	Tax year end Year Month Day
InnPower Corporation	89242 2817 RC0001	2022-12-31

General Index of Financial Information

Notes to the financial statements

InnPower Corporation
89242 2817 RC0001
Taxation year ending December 31, 2022
Subsection 13(7.4) Election
Subsection 13(7.4)
The Taxpayer hereby elects pursuant to subsection 13(7.4) of the Income Tax Act of Canada (the "Act") to deduct an allowance in the amount of $8,996,457.55 in computing the cost of property acquired in the taxation year. Such allowance received in the 2022 taxation year would otherwise be required to be included in income pursuant to paragraph 12(1)(x) of the Act.

_______________________ _________________________
Company Rep Name Date
Company Name

InnPower Corporation
89242 2817 RC0001
ATTACHMENT TO THE ELECTRONICALLY-FILED RETURN
REGULATION 1100(1)(a.2) ELECTION
FOR THE YEAR ENDED December 31, 2022
InnPower Corporation ("InnPower") is electing pursuant to paragraphs 1100(1)(a.2) and 1101(5b.1) of the Income Tax Regulations to designate a separate 6% capital cost allowance class for eligible non-residential building additions acquired in the 2022 taxation year and included in Class 1. Effectively, this election will permit InnPower to claim an additional 2% capital cost allowance on Class 1 additions acquired during the 2021 taxation year. The Class 1 acquisitions made in the taxation year to which this election should apply are as follows:
" Class 1b addition - $143,855

Signature Date

INNPOWER CORPORATION
Notes to Financial Statements
Year ended December 31, 2022
(Expressed in thousands of dollars)
Reporting entity:
InnPower Corporation (the "Corporation") is a rate regulated, municipally owned hydro distribution company incorporated under the laws of Ontario, Canada. The Corporation is located in the Town of Innisfil ("the Town"). The address of the Corporation's registered office is 7251 Yonge Street, Innisfil, Ontario.
The Corporation delivers electricity and related energy services to residential and commercial customers in the Town and South Barrie. The Corporation is wholly owned by the Town of Innisfil.
The financial statements are for the Corporation as at and for the year ended December 31, 2022.
1. Basis of presentation:
(a) Statement of compliance:
The Corporation's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").
The financial statements were approved by the Board of Directors on April 20, 2023.
(b) Basis of measurement:
These financial statements have been prepared on the historical cost basis, unless otherwise stated.
(c) Functional and presentation currency:

Corporation's name	Business number	Tax year end Year Month Day
InnPower Corporation	89242 2817 RC0001	2022-12-31

General Index of Financial Information

Notes to the financial statements

These financial statements are presented in Canadian dollars, which is the Corporation's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest thousand.

(d) Use of estimates and judgments:

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment is included in the following notes:

1. Basis of presentation (continued):

(d) Use of estimates and judgments (continued):

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment is included in the following notes:

(i) Note 2(b) - measurement of unbilled revenue

(ii) Note 2(b) - determination of the performance obligation for contributions from customers and the related amortization period.

(iii) Notes 2 (k), 11 - leases: whether an arrangement contains a lease

(iv) Notes 5, 6 - estimation of useful lives of its property, plant and equipment and intangible assets

(v) Note 8 - recognition and measurement of regulatory balances

(vi) Note 12 - measurement of defined benefit obligations: key actuarial assumptions(vii) Note 18 - recognition and measurement of provisions and contingencies

(e) Rate regulation:

The Corporation is regulated by the Ontario Energy Board ("OEB"), under the authority granted by the Ontario Energy Board Act, 1998. Among other things, the OEB has the power and responsibility to approve or set rates for the transmission and distribution of electricity, providing continued rate protection for electricity consumers in Ontario, and ensuring that transmission and distribution companies fulfill obligations to connect and service customers. The OEB may also prescribe license requirements and conditions of service to local distribution companies ("LDCs"), such as the Corporation, which may include, among other things, record keeping, regulatory accounting principles, separation of accounts for distinct businesses, and filing and process requirements for rate setting purposes. The Corporation is required to bill customers for the debt retirement charge set by the province. The Corporation may file to recover uncollected debt retirement charges from Ontario Electricity Financial Corporation ("OEFC") once each year.

1. Basis of presentation (continued):

(e) Rate regulation (continued):

Distribution revenue

For the distribution revenue included in sale of energy, the Corporation files a "Cost of Service" ("COS") rate application with the OEB every five years where rates are determined through a review of the forecasted annual amount of operating and capital expenditures, debt and shareholder's equity required to support the Corporation's business. The Corporation estimates electricity usage and the costs to service each customer class to determine the appropriate rates to be charged to each customer class. The COS application is reviewed by the OEB and interveners and rates are approved based upon this review, including any revisions resulting from that review. In the intervening years an Incentive Rate Mechanism application ("IRM") is filed. An IRM application results in a formulaic adjustment to distribution rates that were set under the last COS application. The previous year's rates are adjusted for the annual change in the Gross Domestic Product Implicit Price Inflator for Final Domestic Demand ("GDP IPI-FDD") net of a productivity factor and a "stretch factor" determined by the relative efficiency of an electricity distributor.

As a licensed distributor, the Corporation is responsible for billing customers for electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties. The Corporation is required, pursuant to regulation, to remit such amounts to these third parties, irrespective of whether the Corporation ultimately collects these amounts from customers.

The Corporation last filed a COS application in 2017 for rates effective May 1, 2018. On December 9, 2021, the Corporation received its decision on rates from its most recent IRM filing for rates effective January 1, 2022.

Electricity rates

The OEB sets electricity prices for low-volume consumers twice each year based on an estimate of how much it will cost to supply the province with electricity for the next year. All remaining consumers pay the market price for electricity. The Corporation is billed for the cost of the electricity that its customers use and passes this cost on to the customer at cost without a mark-up.

2. Significant accounting policies:

The accounting policies set out below have been applied consistently in all years presented in these financial statements.

(a) Financial instruments:

At initial recognition, the Company measures it's financial assets at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement of the financial asset depends on the classification determined on initial recognition. Financial assets are classified as either amortized cost, fair value through other comprehensive income ("OCI") or fair value through profit or loss, depending on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Financial assets are not reclassified subsequent to their initial recognition, unless the Company changes its business model for managing financial assets.

Financial liabilities are initially measured at fair value, net of transaction costs incurred. They are subsequently carried at amortized cost using the effective interest rate method; any difference between the proceeds (net of transaction costs) and the redemption value is recognized as an adjustment to interest expense over the period of the borrowings.

The Corporation has not entered into derivative instruments.

(b) Revenue recognition:

Sale and distribution of electricity

The performance obligations for the sale and distribution of electricity are recognized over time using an output method to measure the satisfaction of the performance obligation. The value of the electricity services transferred to the customer is determined on the basis of cyclical meter readings plus estimated customer usage since the last meter reading date to the end of the year and represents the amount that the Corporation has the right to bill. Revenue includes the cost of electricity supplied, distribution, and any other regulatory charges. The related cost of power is recorded on the basis of power used.

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Notes to the financial statements

For customer billings related to electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties, the Corporation has determined that it is acting as a principal for these electricity charges and, therefore, has presented electricity revenue on a gross basis.
Customer billings for debt retirement charges are recorded on a net basis as the Corporation is acting as an agent for this billing stream.
2. Significant accounting policies (continued):
(b) Revenue recognition (continued):
Capital contributions
Developers are required to contribute towards the capital cost of construction of distribution assets in order to provide ongoing service. The developer is not a customer and therefore the contributions are scoped out of IFRS 15 Revenue from Contracts with Customers. Cash contributions, received from developers are recorded as deferred revenue. When an asset other than cash is received as a capital contribution, the asset is initially recognized at its fair value, with a corresponding amount recognized as deferred revenue. The deferred revenue, which represents the Corporation's obligation to continue to provide the customers access to the supply of electricity, is amortized to income on a straight-line basis over the useful life of the related asset.
Certain customers are also required to contribute towards the capital cost of construction of distribution assets in order to provide ongoing service. These contributions fall within the scope of IFRS 15 Revenue from Contracts with Customers. The contributions are received to obtain a connection to the distribution system in order receive ongoing access to electricity. The Corporation has concluded that the performance obligation is the supply of electricity over the life of the relationship with the customer which is satisfied over time as the customer receives and consumes the electricity. Revenue is recognized on a straight-line basis over the useful life of the related asset.
Other revenue
Revenue earned from the provision of services is recognized as the service is rendered.
Government grants and the related performance incentive payments under CDM programs are recognized as revenue in the year when there is reasonable assurance that the program conditions have been satisfied and the payment will be received.
Unbilled revenue
Unbilled revenue represents amounts for which the Corporation has a contractual right to receive cash through future billings and are unbilled at period-end. Unbilled revenue is recorded based on preliminary consumption for the month not yet billed.
2. Significant accounting policies (continued):
(c) Materials and supplies:
Materials and supplies, the majority of which is consumed by the Corporation in the provision of its services, is valued at the lower of cost and net realizable value, with cost being determined on an average cost basis, and includes expenditures incurred in acquiring the materials and supplies and other costs incurred in bringing them to their existing location and condition.(d) Property, plant and equipment:
Items of property, plant and equipment ("PP&E") used in rate-regulated activities and acquired prior to January 1, 2015 are measured at the deemed cost (carrying value as elected under IFRS 1) established on the transition date, less accumulated depreciation. All other items of PP&E are measured at cost, or, where the item is contributed by customers, its fair value, less

General Index of Financial Information

Notes to the financial statements

accumulated depreciation.
Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes contracted services, materials and transportation costs, direct labour, overhead costs, borrowing costs and any other costs directly attributable to bringing the asset to a working condition for its intended use.
Borrowing costs on qualifying assets are capitalized as part of the cost of the asset based upon the weighted average cost of debt incurred on the Corporation's borrowings. Qualifying assets are considered to be those that take in excess of 12 months to construct.
When parts of an item of PP&E have different useful lives, they are accounted for as separate items (major components) of PP&E.
When items of PP&E are retired or otherwise disposed of, a gain or loss on disposal is determined by comparing the proceeds from disposal, if any, with the carrying amount of the item and is included in profit or loss.
Major spare parts and standby equipment are recognized as items of PP&E.
The cost of replacing a part of an item of PP&E is recognized in the net book value of the item if it is probable that the future economic benefits embodied within the part will flow to the Corporation and its cost can be measured reliably. In this event, the replaced part of PP&E is written off, and the related gain or loss is included in profit or loss. The costs of the day-to-day servicing of PP&E are recognized in profit or loss as incurred.
2. Significant accounting policies (continued):
(d) Property, plant and equipment (continued):
The need to estimate the decommissioning costs at the end of the useful lives of certain assets is reviewed periodically.
Depreciation is calculated to write off the cost of items of PP&E using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss. Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted prospectively if appropriate. Land is not depreciated. Construction-in-progress assets are not depreciated until the project is complete and the asset is available for use.
The estimated useful lives are as follows:

Asset	Rate
Buildings and fixtures	50 years
Substations	30 years
Distribution lines	15-60 years
Distribution transformers	40-50 years
Meters	15-25 years
Office equipment	10 years
Computer equipment	5 years
Transportation equipment	10 years
Small tools and miscellaneous equipment	10 years
System supervisory	15 years

2. Significant accounting policies (continued):
(e) Intangible assets:
Intangible assets used in rate-regulated activities and acquired prior to January 1, 2015 are measured at deemed cost (carrying value as elected under IFRS 1) established on the transition date, less accumulated amortization.
All other intangible assets are measured at cost.
Computer software that is acquired or developed by the Corporation after January 1, 2015, including software that is not integral to the functionality of equipment purchased which has finite useful lives, is measured at cost

Corporation's name	Business number	Tax year end Year Month Day
InnPower Corporation	89242 2817 RC0001	2022-12-31

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Notes to the financial statements

less accumulated amortization.
Payments to obtain rights to access land ("land rights") are classified as intangible assets. These include payments made for easements, right of access and right of use over land for which the Corporation does not hold title. Land rights are measured at cost less accumulated amortization.
Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. Amortization methods and useful lives of all intangible assets are reviewed at each reporting date and adjusted prospectively if appropriate. The estimated useful lives are:

Asset	Rate
Computer software	5 years
Land rights	50 years

2. Significant accounting policies (continued):
(f) Impairment:
(i) Financial assets measured at amortized cost:
A loss allowance for expected credit losses on financial assets measured at amortized cost is recognized at the reporting date. The loss allowance is measured at an amount equal to the lifetime expected credit losses for the asset.
(ii) Non-financial assets:
The carrying amounts of the Corporation's non-financial assets, other than materials and supplies and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.
For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash- generating unit" or "CGU"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.
An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.
An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.(g) Customer deposits:
Customer deposits represent cash deposits from electricity distribution customers and retailers to guarantee the payment of energy bills. Interest is paid on customer deposits.
Deposits are refundable to customers who demonstrate an acceptable level of credit risk as determined by the Corporation in accordance with policies set out by the OEB or upon termination of their electricity distribution service.
2. Significant accounting policies (continued):
(h) Provisions:
A provision is recognized if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market

assessments of the time value of money and the risks specific to the liability.(i) Regulatory balances:

Regulatory deferral account debit balances represent costs incurred in excess of amounts billed to the customer at OEB approved rates. Regulatory deferral account credit balances represent amounts billed to the customer at OEB approved rates in excess of costs incurred by the Corporation.

Regulatory deferral account debit balances are recognized if it is probable that future billings in an amount at least equal to the deferred cost will result from inclusion of that cost in allowable costs for rate-making purposes. The offsetting amount is recognized in net movement in regulatory balances in profit or loss or OCI. When the customer is billed at rates approved by the OEB for the recovery of the deferred costs, the customer billings are recognized in revenue. The regulatory debit balance is reduced by the amount of these customer billings with the offset to net movement in regulatory balances in profit or loss or OCI.

The probability of recovery of the regulatory deferral account debit balances is assessed annually based upon the likelihood that the OEB will approve the change in rates to recover the balance. The assessment of likelihood of recovery is based upon previous decisions made by the OEB for similar circumstances, policies or guidelines issued by the OEB, etc. Any resulting impairment loss is recognized in profit or loss in the year incurred.

When the Corporation is required to refund amounts to ratepayers in the future, the Corporation recognizes a regulatory deferral account credit balance. The offsetting amount is recognized in net movement in regulatory balances in profit or loss or OCI. The amounts returned to the customers are recognized as a reduction of revenue. The credit balance is reduced by the amount of these customer repayments with the offset to net movement in regulatory balances in profit or loss or OCI.

2. Significant accounting policies (continued):

(j) Post-employment benefits:

(i) Pension plan

The Corporation provides a pension plan for all its full-time employees through Ontario Municipal Employees Retirement System ("OMERS"). OMERS is a multi-employer pension plan which operates as the Ontario Municipal Employees Retirement Fund ("the Fund"), and provides pensions for employees of Ontario municipalities, local boards and public utilities. The Fund is a contributory defined benefit pension plan, which is financed by equal contributions from participating employers and employees, and by the investment earnings of the Fund. To the extent that the Fund finds itself in an under-funded position, additional contribution rates may be assessed to participating employers and members.

OMERS is a defined benefit plan. However, as OMERS does not segregate its pension asset and liability information by individual employers, there is insufficient information available to enable the Corporation to directly account for the plan. Consequently, the plan has been accounted for as a defined contribution plan. The Corporation is not responsible for any other contractual obligations other than the contributions. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss when they are due.

(ii) Post-employment benefits, other than pension

The Corporation provides some of its retired employees with life insurance and medical benefits beyond those provided by government sponsored plans. The obligations for these post-employment benefit plans are actuarially determined by applying the projected unit credit method and reflect management's best estimate of certain underlying assumptions. Remeasurements of the net defined benefit obligations, including actuarial gains and losses

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and the return on plan assets (excluding interest), are recognized immediately in other comprehensive income. When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized immediately in profit or loss.

2. Significant accounting policies (continued):

(k) Leased assets:

At inception of a contract, the Corporation assesses whether the contract is or contains a lease. A contract is determined to contain a lease if it provides the Corporation with the right to control the use of an identified asset for a period of time in exchange for consideration. Contracts determined to contain a lease are accounted for as leases. For leases and contracts that contain a lease, the Corporation recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Subsequent to initial recognition, the right-of-use asset is recognized at cost less any accumulated depreciation and any accumulated impairment losses, adjusted for certain remeasurements of the corresponding lease liability.

The lease liability is initially measured at the present value of lease payments plus the present value of lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Corporation's incremental borrowing rate.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Corporation's estimate of the amount expected to be payable under a residual value guarantee, or if the Corporation changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

2. Significant accounting policies (continued):

(l) Finance income and finance costs:

Finance income is recognized as it accrues in profit or loss, using the effective interest method. Finance income comprises interest earned on cash and dividend income.

Finance costs comprise interest expense on borrowings and net interest expense on post- employment benefits. Finance costs are recognized in profit or loss unless they are capitalized as part of the cost of qualifying assets.

(m) Income taxes:

The income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case, it is recognized in equity.

The Corporation is currently exempt from taxes under the Income Tax Act (Canada) and the Ontario Corporations Tax Act (collectively the "Tax Acts").

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Under the Electricity Act, 1998, the Corporation makes payments in lieu of corporate taxes to the Ontario Electricity Financial Corporation ("OEFC"). These payments are calculated in accordance with the rules for computing taxable income and taxable capital and other relevant amounts contained in the Tax Acts as modified by the Electricity Act, 1998, and related regulations. Prior to October 1, 2001, the Corporation was not subject to income or capital taxes. Payments in lieu of taxes are referred to as income taxes.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the tax basis of assets and liabilities and their carrying amounts for accounting purposes. Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted, at the reporting date.

3. Changes to accounting policies:

The International Accounting Standards Board (IASB) has issued the following Standards, Interpretations and Amendments to Standards that were adopted by the Company effective January 1, 2022. The amendments and clarifications did not have an impact on the financial statements.

(a) Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16):

On May 14, 2020, the IASB issued Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16). The amendments clarify that proceeds from selling items before the related item of Property, Plant and Equipment is available for use should be recognized in profit or loss, together with the cost of producing those items.

(b) Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37):

On May 14, 2020, the IASB issued Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37). This amendment clarifies which costs are included as a cost of fulfilling a contract when determining whether a contract is onerous.

(c) Annual Improvements to IFRS Standards 2018 - 2020:

On May 14, 2020, the IASB issued Annual Improvements to IFRS Standards 2018 -2020. IFRS 9 Financial Instruments

Clarifies which fees are included for the purpose of performing the `10 per cent test' for derecognition of financial liabilities.

IFRS 16 Leases

Removes the illustration of payments from the lessor relating to leasehold improvements. The impact of adoption of these improvements is not expected to have an impact on the business.

3. Changes to accounting policies (continued):

Emerging accounting changes:

At the date of authorization of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early by the Company and it is still to be determined if any will have a material impact on the Company's financial statements.

a) Classification of Liabilities as Current or Non-current (Amendments to

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IAS 1)b) Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
c) Definition of Accounting Estimate (Amendments to IAS 8)
d) Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction Amendments to IAS 12 Income Taxes
4. Accounts receivable:
2022 2021
Trade customer accounts receivable $ 4,908 $ 4,790
Other receivables 4,473 2,002
Due from related parties 1,067 1,159
$ 10,448 $ 7,951

5. Property, plant and equipment:

Land and buildings

Distribution equipment

Other fixed assets

Construction-in-progress Total

Cost of deemed cost Balance at January 1, 2022 Additions
Disposals/ retirements
Balance at December 31, 2022

Balance at January 1, 2021 Additions
Disposals/ retirements
Balance at December 31, 2021

Accumulated depreciation Balance at January 1, 2022 Depreciation
Disposals
Balance at December 31, 2022

Balance at January 1, 2021 Depreciation
Disposals
Balance at December 31, 2021

Carrying amounts
At December 31, 2022
At December 31, 2021

6. Intangible assets:
Cost of deemed cost
Computer software
Land rights
Total
Balance at January 1, 2022 $ 1,460 $ 397 $ 1,857
Additions 321 - 321
Balance at December 31, 2022 $ 1,781 $ 397 $ 2,178
Balance at January 1, 2021 $ 1,307 $ 397 $ 1,704

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Additions 153 - 153
Balance at December 31, 2021 $ 1,460 $ 397 $
1,857 Accumulated amortization
Balance at January 1, 2022 $ 1,193 $ 105 $ 1,298
Amortization 204 12 216
Balance at December 31, 2022 $ 1,397 $ 117 $
1,514
Balance at January 1, 2021 $ 1,021 $ 92 $ 1,113
Amortization 172 13 185
Balance at December 31, 2021 $ 1,193 $ 105 $
1,298 Carrying amounts
At December 31, 2022 $ 384 $ 280 $ 664
At December 31, 2021 267 292 559

7. Income tax expense:
Current tax expense (recovery):
2022 2021

Income tax expense $ 682 $ 880
Reconciliation of effective tax rate:
2022 2021

Income before taxes $ 3,352 $ 3,475

Statutory income tax rates

26.5 %

26.5 %

Expected tax provision on income at statutory rates $ 888 $
921Increase (decrease) in income taxes resulting from:
Permanent differences (183) (139)
Prior period adjustment (27) 40
Other 4 58
Income tax expense $ 682 $ 880
Significant components of the Corporation's deferred tax balances:
2022 2021

Deferred tax assets (liabilities):
Property, plant and equipment $ (3,076) $ (2,381)
Post-employment benefits 38 43
Other (4) -
$ (3,042) $ (2,338)

8. Regulatory account balances:
Reconciliation of the carrying amount for each class of regulatory balances:
Remaining
Regulatory deferral January 1, Recovery/ Dece mber 31,
recovery/
account debit balances 2022 Additions reversal 2022
reversal yearsRetail settlement
variances
Regulatory asset $ 6,033 $ 1,942 $ (1,255) $

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6,720   2-3associated with
deferred taxes   3,180   959   -   4,139   -
Regulatory variances
disposition   1,038   -   (1,038)   -   -
Other   226   35   -   261   1-3
     $ 10,477 $ 2,936 $ (2,293) $ 11,120

Remaining
Regulatory deferral   January 1,   Recovery/   December 31,   recovery/
account debit balances   2021   Additions   reversal   2021
reversal years
Retail settlement
variances
Regulatory transition to $ 5,154 $ 1,498 $ (619) $
 6,033   2-3IFRS
Regulatory variances   2,459   721   -   3,180   -
disposition   1,385   -   (347)   1,038   -
Other   175   51   -   226   1-3
     $ 9,173 $ 2,270 $ (966) $ 10,477

8.   Regulatory account balances (continued):

Regulatory deferral account credit balances

January 1,
2022   Additions

Recovery/ reversal

December 31,
2022

Remaining recovery/ reversal years

Retail settlement
variances
Deferred income tax on $ 19 $ 54 $ - $ 73
2-3regulatory asset Regulatory variances   843   266   -   1,109   -
disposition   -   61   -   61   -
Other   466   730   (7)   1,189   -
     $ 1,328 $ 1,111 $ (7) $ 2,432
Regulatory deferral
Remaining
account credit   January 1,   Recovery/   December 31,   recovery/
balances   2021   Additions   reversal   2021   reversal years
Retail settlement
variances
Deferred income tax on $ 643 $ 5 $ (629) $ 19
2-3regulatory asset   651   192   -   843   -
Other   333   133   -   466   -
     $ 1,627 $ 330 $ (629) $ 1,328
For 2022, the net movement in regulatory deferred account balances net of
taxes of $3,326 consists of the regulatory deferred tax expense of $693, the
regulatory treatment on the Accelerated Investment Incentive tax program of

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($730), the difference between the Power Purchased and the Sale of Electricity of $3,194, and approximately $169 in other carrying charges.
For 2021 the net movement in regulatory deferred account balances net of taxes of $3,757 consists of the regulatory deferred tax expense of $530, the regulatory treatment on the Accelerated Investment Incentive tax program of ($114), the difference between the Power Purchased and the Sale of Electricity of $3,255 and approximately $86 in other carrying charges.

8. Regulatory account balances (continued):

On December 16, 2020, the OEB Staff released their proposal on the COVID-19 deferral accounts which introduces certain criteria to that may need to be satisfied for amounts to be eligible for recovery. Based on this information, management believes there is high uncertainty in regards to the recoverability of costs and lost revenues related to government and OEB customer relief actions, and therefore a low probability of recovery. Costs directly related to the implementation of safety measures as a result of the COVID-19 pandemic were tracked. No amounts have been recorded in the COVID-19 Emergency Deferral Account as at December 31, 2022.
The regulatory balances are recovered or settled through rates approved by the OEB which are determined using estimates of future consumption of electricity by its customers. Future consumption is impacted by various factors including the economy and weather. The Corporation has received approval from the OEB to establish its regulatory balances.
Settlement of the Group 1 deferral accounts is done on an annual basis through application to the OEB. The OEB requires the Corporation to estimate its income taxes when it files a COS application to set its rates. As a result, the Corporation has recognized a regulatory deferral account for the amount of deferred taxes that will ultimately be recovered from/paid back to its customers. This balance will fluctuate as the Corporation's deferred tax balance fluctuates.
Regulatory deferral accounts attract interest at OEB prescribed rates. With the exception of Pension and OEB Forecast Accrual accounts (OPEBs), the rates for 2022 were 0.57% from January to March, 1.02% from April to June, 2.20% from July to September and 3.87% from October to December. Prior year rates were 0.57%.
In 2022, OPEB rates were 0.57% from January to March, 1.02% from April to June, 2.20% from July to September and 3.87% from October to December. In 2021, OPEB rates were 2.03% to 2.29%.

9. Accounts payable and accrued liabilities:

	2022	2021
Power purchases	$ 2,491	$ 2,649
Trade payables	3,162	2,295
Due to related parties	3,772	2,431
Other	769	782
	$ 10,194	$ 8,157

10. Long-term debt:

2022 2021
Term loan, interest at 1.92%, payable in monthly
instalments, due 2025, secured by a General Security
Agreement
Term loan, interest at 5.27%, payable in monthly $ 1,030 $
1,151instalments, due 2032, secured by a General Security
Agreement
Term loan, interest at bank prime, payable in monthly 2,804
2,804instalments, due 2032 secured by a General Security
Agreement

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Term loan, interest at 4.59%, payable in monthly 2,615 2,939
instalments, due 2023, secured by a General Security
Agreement
Term loan, interest at 3.96%, payable in monthly 2,289 2,382
instalments, due 2024, secured by a General Security
Agreement
Term loan, interest at 3.91%, payable in monthly 1,653 1,701
instalments, due 2024, secured by a General Security
Agreement
Term loan, interest at 3.68%, payable in monthly 1,668 1,714
instalments, due 2025, secured by a General Security
Agreement
Term loan, interest at 2.88%, payable in monthly 1,667 1,712
instalments, due 2025, secured by a General Security
Agreement
Term loan, interest at 3.48%, payable in monthly 10,044
10,358instalments, due 2026, secured by a General Security
Agreement
Term loan, interest at 3.60%, payable in monthly 2,526 2,596
instalments, due 2027, secured by a General Security
Agreement
Ontario Infrastructure loan, interest at 3.91%, payable in 2,721
2,790semi-annual instalments, due 2026 secured by a
General Security Agreement
Term loan, interest at 4.09%, payable in monthly 667 833
Instalments, due 2026, secured by a General Security
Agreement 1,541 1,574
Carried forward 31,225 32,554

10. Long-term debt (continued):
2022 2021

Carried forward 31,225 32,554
Term loan, interest at 3.28%, payable in monthly instalments, due 2029
secured by a General SecurityAgreement 2,228 2,279
Term loan, interest at bank prime, payable in monthly
instalments, due 2026 secured by a General Security
Agreement 2,520 2,615
35,973 37,448
Less current portion of long-term debt 3,696 6,883
$ 32,277 $ 30,565
Principal payment due in each of the next five years are as follows:
2023
$ 3,696
2024 4,559
2025 12,585
2026 5,251
2027 2,882
Thereafter 7,000
$ 35,973

As of December 31, 2021, the Company has a bank overdraft of $nil (2021 -
$1,270). Bank overdrafts are repayable on demand and form an integral part of
the Company's cash management. Interest accrues daily at Prime less 1.90%.
11. Leases:
Right-of-use Asset Vehicle Leases

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Cost of deemed cost
Balance at January 1, 2022 $ 236
Balance at January 1, 2021
$ 398
Additions 65
Deletions (227)
Balance at December 31, 2021 $ 236
Accumulated amortization
Balance at January 1, 2022 $ 96
Amortization 30
Balance at December 31, 2022 $ 126
Balance at January 1, 2021 $ 118
Amortization 54
Deletions (76)
Balance at December 31, 2021 $ 96
Carrying amounts
At December 31, 2022 $ 110
At December 31, 2021 140
Lease Liability
Vehicle Leases
Balance at January 1, 2022 $ 138
Repayments (30)
Interest 4
Balance at December 31, 2022 $ 112

11. Leases (continued):
Balance at January 1, 2021 $ 286
Additions 65
Deletions (170)
Repayments (48)
Interest 5
Balance at December 31, 2021 $ 138

Lease liabilities include a current portion of $92, with the remaining balance due over the following two to four years. Certain leases held by the Corporation provide the Corporation with extension options and termination options that may impact the term of the Lease which can impact the finance lease liability recognized in the statement of financial position. The Corporation has determined the lease term for all contracts based on all available information as at the reporting date.

12. Post-employment benefits:

(a) OMERS pension plan:

The Corporation provides a pension plan for its employees through OMERS. The plan is a multi-employer, contributory defined pension plan with equal contributions by the employer and its employees. In 2022, the Corporation made employer contributions of $520 to OMERS (2021 - $522) which has been recognized in profit or loss. The Corporation estimates that a contribution of $500 to OMERS will be made during the next fiscal year.

As at December 31, 2022, OMERS had approximately 541,000 members, of whom 55 are current employees of the Corporation. The most recently available OMERS annual report is for the year ended December 31, 2022, which reported that the plan was 95% funded, with an unfunded liability of $6.7 billion. This unfunded liability may result in extra future payments by participating employers and members.

12. Post-employment benefits (continued):

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(b) Post-employment benefits other than pension:

The Corporation pays certain medical and life insurance benefits on behalf of some of its retired employees. The Corporation recognizes these post-employment benefits in the year in which employees' services were rendered. The Corporation is recovering its post- employment benefits in rates based on the expense and remeasurements recognized for post-employment benefit plans.

Reconciliation of the obligation	2022	2021
Defined benefit obligation, beginning of year	$ 162	$ 131
Included in profit or loss:		
Current service cost	20	11
Interest cost	5	3
	25	14
Included in OCI		
Actuarial losses arising from:		
Changes in financial assumptions	(44)	17
	$ 143	$ 162

Actuarial assumptions	2022	2021
Discount (interest) rate	5.00 %	2.90 %
Salary levels	3.10 %	3.10 %
Medical costs	6.50 %	6.50 %
Dental costs	4.00 %	4.00 %

A 1% increase in the assumed discount rate would result in the defined benefit obligation decreasing by $18. A 1% decrease in the assumed discount rate would result in the defined benefit obligation increasing by $20.

13. Contributions in aid of construction:

	2022	2021
Contributions in aid of construction, beginning of year	$ 35,950	$ 30,792
Contributions received	8,372	6,085
Amortization	(1,115)	(927)
Contributions in aid of construction, end of year	$ 43,207	$ 35,950

14. Share capital:

	2022	2021
Authorized:		
Unlimited number of common shares Unlimited number of preferred shares		
Issued:		
1,000 common shares, no par value	$ 10,852	$ 10,852

On April 20, 2023, a dividend equal to 15% of deemed adjusted regulated net income, totaling $319, was declared.

15. Other revenue:

	2022	2021
Collection and other service charges	$ 221	$ 216
Billing and other services	32	542
Rent	423	397
Recognition of contributions in aid of construction	1,115	927
Other	543	97
Total other revenue	$ 2,334	$ 2,179

16. Expenses by nature:

	2022	2021
Salaries, wages and benefits	$ 5,101	$ 4,733
CPP and EI remittances	394	366
Contributions to OMERS	586	522
Less amounts capitalized	(2,382)	(2,001)
	$ 3,699	$ 3,620

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Operating expenses

	2022	2021
Employee salaries and benefits	$ 3,699	$ 3,620
Subcontractor costs	763	752
Repairs, maintenance and tooling	628	531
Professional fees	182	206
Other taxes	200	199
Insurance	147	130
Other general administration	1,566	1,193
	$ 7,185	$ 6,631

17. Finance income and costs:

	2022	2021
Finance income:		
Interest income on bank deposits	$ 78	$ -
Finance costs:		
Interest expense on long-term debt	(1,310)	(1,143)
Interest expense on customer deposits	(16)	(100)
Other	(11)	(3)
Interest expense on capital lease	(5)	(5)
	(1,342)	(1,251)
Net finance costs recognized in profit or loss	$ (1,264)	$ (1,251)

18. Commitments and contingencies:

General Liability Insurance:

The Corporation is a member of the Municipal Electric Association Reciprocal Insurance Exchange ("MEARIE"). MEARIE is a pooling of public liability insurance risks of many of the LDCs in Ontario. All members of the pool are subjected to assessment for losses experienced by the pool for the years in which they were members, on a pro-rata basis based on the total of their respective service revenues. As at December 31, 2022, no assessments have been made.

19. Related party transactions:

(a) Parents and ultimate controlling party:

The sole shareholder of the Corporation is the Town of Innisfil. The Town produces consolidated financial statements that are available for public use.

(b) Outstanding balances with related parties:

	2022	2021
Town of Innisfil - receivable	$ 347	$ 313
InnServices Utilities Inc. - receivable	260	561
InnServices Utilities Inc. - payable	(3,772)	(2,431)
Innterprises Inc. - receivable	454	285
	$ (2,711)	$ (1,272)

(c) Transactions with related parties:

The Corporation delivers electricity to the Town throughout the year for the electricity needs of the Town and its related organizations. Electricity delivery charges are at prices and under terms approved by the OEB.

The Corporation also provides electricity and other services, including water and wastewater billing and collection, to InnServices Utilities Inc, an affiliate company. Electricity delivery charges are at prices and under terms approved by the OEB. Revenue includes $966 (2021 - $1,148) from InnServices Utilities Inc. for financial, billing, and other services.

19. Related party transactions (continued):

(d) Key management personnel:

The key management personnel of the Corporation have been defined as members of its board of directors and executive management team members. The

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compensation paid or payable is as follows:

	2022	2021
Directors' fees	$ 59	$ 51
Salaries and other benefits	732	785
	$ 791	$ 836

20. Financial instruments and risk management: Fair value disclosure:
The carrying values of cash, accounts receivable, unbilled revenue, due from/to related parties and accounts payable and accrued liabilities approximate fair value because of the short maturity of these instruments.
The carrying value of the customer deposits approximates fair value because the amounts are payable on demand.
The fair value of the long-term debt at December 31, 2022 is $32,689 (2021 - $34,833). The fair value is calculated based on the present value of future principal and interest cash flows, discounted at the current rate of interest at the reporting date.
Financial risks:
The Corporation understands the risks inherent in its business and defines them broadly as anything that could impact its ability to achieve its strategic objectives. The Corporation's exposure to a variety of risks such as credit risk, interest rate risk, and liquidity risk, as well as related mitigation strategies are discussed below.
20. Financial instruments and risk management (continued):
(a) Credit risk:
Financial assets carry credit risk that a counterparty will fail to discharge an obligation which could result in a financial loss. Financial assets held by the Corporation, such as accounts receivable, expose it to credit risk.
The Corporation earns its revenue from a broad base of customers located in the Town of Innisfil and South Barrie. As at December 31, 2022, no single customer accounts for a balance in excess of 10% of total accounts receivable (2021 - none).
The carrying amount of accounts receivable is reduced through the use of an allowance for impairment and the amount of the related impairment loss is recognized in profit or loss. Subsequent recoveries of receivables previously provisioned are credited to profit or loss. The balance of the allowance for impairment at December 31, 2022 is $21 (2021 - $32). An impairment loss of $412 (2021 - $59) was recognized during the year.
The Corporation's credit risk associated with accounts receivable is primarily related to payments from distribution customers. At December 31, 2022, approximately $158 (2021 -
$57) is considered 90 days past due. The Corporation has over 17,000 customers, the majority of whom are residential. Credit risk is managed through collection of security deposits from customers in accordance with directions provided by the OEB and through credit insurance. As at December 31, 2022, the Corporation holds security deposits in the amount of $39 (2021 - $39).
(b) Market risk:
Market risks primarily refer to the risk of loss resulting from changes in commodity prices, foreign exchange rates, and interest rates. The Corporation currently does not have any material commodity or foreign exchange risk. The Corporation is exposed to fluctuations in interest rates as the regulated rate of return for the Corporation's distribution business is derived using a complex formulaic approach which is in part based on the forecast for long term Government of Canada bond yields. This rate of return is approved by the OEB as part of the approval of distribution rates.
A 1% increase in the interest rate at December 31, 2022, would have increased

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interest expense on the long-term debt by $379, assuming all other variables remain constant. A 1% decrease in the interest rate would have an equal but opposite effect.

20. Financial instruments and risk management (continued):

(c) Liquidity risk:

The Corporation monitors its liquidity risk to ensure access to sufficient funds to meet operational and investing requirements. The Corporation's objective is to ensure that sufficient liquidity is on hand to meet obligations as they fall due while minimizing interest exposure. The Corporation has access to a $6,000 line of credit facility and monitors cash balances daily to ensure that a sufficient level of liquidity is on hand to meet financial commitments as they become due. As at December 31, 2022, $nil had been drawn under the Corporation's credit facility (2021 - $1,270), however the availability is reduced by $938 letter of credit with the IESO. The Corporation also has a letter of credit facility for $938 for the purpose of issuing letters of credit mainly to support the prudential requirements of the IESO, of which $nil has been drawn and posted with the IESO (2021 - $938). The majority of accounts payable, as reported on the statement of financial position, are due within 30 days.

(d) Capital disclosures:

The main objectives of the Corporation, when managing capital, are to ensure ongoing access to funding to maintain and improve the electricity distribution system, compliance with covenants related to its credit facilities, prudent management of its capital structure with regard for recoveries of financing charges permitted by the OEB on its regulated electricity distribution business, and to deliver the appropriate financial returns.

The Corporation's definition of capital includes shareholder's equity and long-term debt. As at December 31, 2022, shareholder's equity amounts to $32,919 (2021 - $30,429) and long-term debt amounts to $35,973 (2021 - $37,442).

Canada Revenue Agency / Agence du revenu du Canada

Net Income (Loss) for Income Tax Purposes

Schedule 1

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2022-12-31

- Use this schedule to reconcile the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes. For more information, see the T2 Corporation – Income Tax Guide.
- All legislative references are to the Income Tax Act.

Net income (loss) after taxes and extraordinary items from line 9999 of Schedule 125			2,702,000	A
Add:				
Provision for income taxes – current	101	-11,000		
Provision for income taxes – deferred	102	693,000		
Interest and penalties on taxes	103	612		
Amortization of tangible assets	104	3,584,000		
Loss on disposal of assets	111	61,000		
Charitable donations and gifts from Schedule 2	112	1,250		
Non-deductible meals and entertainment expenses	121	2,073		
Reserves from financial statements – balance at the end of the year	126	142,732		
Subtotal of additions		4,473,667	4,473,667	

Add:

Other additions:

	1 Description 605	2 Amount 295
1	Inducement under 12(1)(x) ITA	8,998,997
2	Customer Deposits - paragraph 20(1)(a)	7,676,000
3	Amortization of Capital Lease	30,000
4	Amortization expensed in distribution expenses	213,148
5	Tax component of gain in OCI	11,709
	Total of column 2	16,929,854

Total of column 2	296	16,929,854		
Subtotal of other additions	199	16,929,854	16,929,854	D
Total additions	500	21,403,521	21,403,521	
Amount A **plus** line 500			24,105,521	B
Deduct:				
Capital cost allowance from Schedule 8	403	4,652,375		
Reserves from financial statements – balance at the beginning of the year	414	162,065		
Subtotal of deductions		4,814,440	4,814,440	

Deduct:

Other deductions:

	1 Description 705	2 Amount 395
1	13(7.4) electon re contributed capital	8,993,156
2	Capital Lease payments	26,000
3	Customer Deposits - paragraph 20(1)(m)	7,676,000
4	Amortization of deferred contribution	1,115,000
5	Tax movement in reg. account	693,000
	Total of column 2	18,503,156

Total of column 2	396	18,503,156

Subtotal of other deductions	499	18,503,156	▶	18,503,156	E
Total deductions	510	23,317,596	▶	23,317,596	
Net income (loss) for income tax purposes (amount B **minus** line 510)				787,925	C

Enter amount C on line 300 of the T2 return.

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Attached Schedule with Total

Line 395 – Amount

Title Line 395 – Amount

Description	Operator (Note)	Amount	
Per WP "SS.08-1 22" Cost Rec IFRS tab Cell I39		8,996,457	55
Adjustments perWP "SS.08-1 21" Cost Rec IFRS tab cell k39	-	3,302	00
	+		
	Total	8,993,155	55

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula 1+2*3 will not result in the same thing as the formula 1+3*2.

Inducement

This form is used to calculate inducements that a corporation must add to its income under paragraph 12(1)(x) ITA. If an amount reduces the capital cost of a property, this amount will be indicated in Part "Tax credits whose amount should reduce the capital cost of property."

If you want to transfer an amount to Schedule 1 and include it in the corporation's income for tax purposes, select the corresponding check box in column A. You can also select the option **Select this check box to add all the amounts to income calculated in Schedule 1** to transfer all the amounts to Schedule 1. In either case, the column A check box will be selected for that amount and it will therefore be updated to Schedule 1.

Tax credits whose amount should be added to income

Ontario

A		
X	Portion of the Ontario research and development tax credit that relates to the prescribed proxy amount (PPA) and portion of the Ontario investment tax credit that relates to contributions made to SR&ED farming organizations	
X	Ontario co-operative education tax credit	5,841
	Ontario apprenticeship training tax credit	
	Ontario computer animation and special effects tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Ontario film and television tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Ontario production services tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Ontario interactive digital media tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Ontario book publishing tax credit	
	Portion of the Ontario innovation tax credit that relates to the prescribed proxy amount (PPA) and portion of the Ontario investment tax credit that relates to contributions made to SR&ED farming organizations	
	Ontario business-research institute tax credit	
	Ontario community food program donation tax credit for farmers	

Other amounts

A		
X	Contributed capital for fixed assets per WP "SS.08-1 21" Cost Rec IFRS tab Cell I39	8,993,156
	Total	8,993,156

Tax credits whose amount should reduce the capital cost of property

Attached Schedule with Total

Ontario – Portion of the Ontario research and development tax credit that relates to the prescribed proxy amount (PPA) and portion of the Ontario investment ta:

Title Ontario – Portion of the Ontario research and development tax credit that rel

Description	Operator (Note)	Amount
ORDTC claimed in PY (Sch.661 line 513b2)		4,365 00
Less: ORDTC claimed PY (Sch.661, line 429b2)	-	4,365 00
	+	
	Total	

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula 1+2*3 will not result in the same thing as the formula 1+3*2.

Attached Schedule with Total

Tax credits whose amount should be added to income – Other amounts

Title Tax credits whose amount should be added to income – Other amounts

Description	Operator (Note)	Amount
Contr cap for fixed assets per WP "SS.08-1 22" Cost Rec IFRS tab cell I39		8,996,457 55
Adjustments perWP "SS.08-1 22" Cost Rec IFRS tab cell k39	-	3,302 00
	+	
	Total	8,993,155 55

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula 1+2*3 will not result in the same thing as the formula 1+3*2.

Canada Revenue Agency / Agence du revenu du Canada

Schedule 2

Charitable Donations and Gifts

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2022-12-31

- For use by corporations to claim any of the following:
  - the eligible amount of charitable donations to qualified donees
  - the Ontario, Nova Scotia, and British Columbia food donation tax credits for farmers
  - the eligible amount of gifts of certified cultural property
  - the eligible amount of gifts of certified ecologically sensitive land or
  - the additional deduction for gifts of medicine made before March 22, 2017
- All legislative references are to the federal Income Tax Act, unless stated otherwise.
- The eligible amount of a gift is the amount by which the fair market value of the gifted property exceeds the amount of an advantage, if any, for the gift.
- The donations and gifts can be carried forward for 5 years except for gifts of certified ecologically sensitive land made after February 10, 2014, which can be carried forward for 10 years.
- Use this schedule to show a transfer of unused amounts from previous years following an amalgamation or the wind-up of a subsidiary as described under subsections 87(1) and 88(1).
- Subsection 110.1(1.2) provides as follows:
  - Where a particular corporation has undergone an acquisition of control, for tax years that end on or after the acquisition of control, no corporation can claim a deduction for a gift made by the particular corporation to a qualified donee before the acquisition of control.
  - If a particular corporation makes a gift to a qualified donee pursuant to an arrangement under which both the gift and the acquisition of control is expected, no corporation can claim a deduction for the gift unless the person acquiring control of the particular corporation is the qualified donee.
- An eligible medical gift made before March 22, 2017, to a qualifying organization for activities outside of Canada may be eligible for an additional deduction. Calculate the additional deduction in Part 5.
- File this schedule with your T2 Corporation Income Tax Return.
- For more information, see the T2 Corporation – Income Tax Guide.

Part 1 – Charitable donations

Charity/Recipient	Amount ($100 or more only)
Canadian Red Cross	1,000
YMCA of Simcoe Muskoka	250
Subtotal	1,250
Add: Total donations of less than $100 each	
Total donations in current tax year	1,250

Part 1 – Charitable donations

	Line	Federal		Québec	Alberta
Charitable donations at the end of the previous tax year			1A		
Charitable donations expired after five tax years*	239				
Charitable donations at the beginning of the current tax year (amount 1A **minus** line 239)	240				
Charitable donations transferred on an amalgamation or the wind-up of a subsidiary	250				
Total charitable donations made in the current year (include this amount on line 112 of Schedule 1, Net Income (Loss) for Income Tax Purposes)	210	1,250		1,250	1,250
Subtotal (line 250 **plus** line 210)		1,250	1B	1,250	1,250
Subtotal (line 240 **plus** amount 1B)		1,250	1C	1,250	1,250
Adjustment for an acquisition of control	255				
Total charitable donations available (amount 1C **minus** line 255)		1,250	1D	1,250	1,250
Amount applied in the current year against taxable income (cannot be more than amount 2H in Part 2) (enter this amount on line 311 of the T2 return)	260	1,250		1,250	1,250
Charitable donations closing balance (amount 1D **minus** line 260)	280				

	Line	Amount	
The amount of qualifying donations for the Ontario community food program donation tax credit for farmers included in the amount on line 260 (for donations made after December 31, 2013)	262		
Ontario community food program donation tax credit for farmers (amount on line 262 **multiplied** by 25 %)			1

Enter amount 1 on line 420 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the Ontario income tax otherwise payable or amount 1. For more information, see section 103.1.2 of the Taxation Act, 2007 (Ontario).

	Line	Amount	
The amount of qualifying donations for the Nova Scotia food bank tax credit for farmers included in the amount on line 260 (for donations made after December 31, 2015)	263		
Nova Scotia food bank tax credit for farmers (amount on line 263 **multiplied** by 25 %)			2

Enter amount 2 on line 570 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the Nova Scotia income tax otherwise payable or amount 2. For more information, see section 50A of the Nova Scotia Income Tax Act.

	Line	Amount	
The amount of qualifying gifts for the British Columbia farmers' food donation tax credit included in the amount on line 260 (for donations made after February 16, 2016, and before January 1, 2024)	265		
British Columbia farmers' food donation tax credit (amount on line 265 **multiplied** by 25 %)			3

Enter amount 3 on line 683 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the British Columbia income tax otherwise payable or amount 3. For more information, see section 20.1 of the British Columbia Income Tax Act.

* For federal and Alberta tax purposes, donations and gifts expire after five tax years. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, expire after five tax years; otherwise, donations and gifts expire after twenty tax years.

Amounts carried forward – Charitable donations

Year of origin:		Federal	Québec	Alberta
1st prior year	2021-12-31			
2nd prior year	2020-12-31			
3rd prior year	2019-12-31			
4th prior year	2018-12-31			
5th prior year	2017-12-31			
6th prior year*	2016-12-31			
7th prior year	2015-12-31			
8th prior year	2014-12-31			
9th prior year	2013-12-31			
10th prior year	2012-12-31			
11th prior year	2011-12-31			
12th prior year	2010-12-31			
13th prior year	2009-12-31			
14th prior year	2008-12-31			
15th prior year	2007-12-31			
16th prior year	2006-12-31			
17th prior year	2005-12-31			
18th prior year	2004-12-31			
19th prior year	2003-12-31			
20th prior year	2002-12-31			
21st prior year*	2001-12-31			
Total (to line A)				

* For federal and Alberta tax purposes, donations and gifts included on line *6th prior year* expire automatically in the current tax year. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, that are included on line *6th prior year* and donations and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Part 2 – Maximum allowable deduction for charitable donations

Net income for tax purposes Note 1 **multiplied** by 75 % 590,944 2A

Taxable capital gains arising in respect of gifts of capital property included in Part 1 Note 2 225

Taxable capital gain in respect of a disposition of a non-qualifying security under subsection 40(1.01) 227

The amount of the recapture of capital cost allowance in respect of charitable donations 230

Proceeds of disposition, **less** outlays and expenses Note 2 .... 2B

Capital cost Note 2 .... 2C

Amount 2B or 2C, whichever is less 235

Amount on line 230 or 235, whichever is less 2D

Subtotal (**add** lines 225, 227, and amount 2D) 2E

Amount 2E **multiplied** by 25 % 2F

Subtotal (amount 2A **plus** amount 2F) 590,944 2G

Maximum allowable deduction for charitable donations
(enter amount 1D from Part 1, amount 2G, or net income for tax purposes, whichever is the least) 1,250 2H

Note 1: For credit unions, subsection 137(2) states that this amount is before the deduction of payments pursuant to allocations in proportion to borrowing and bonus interest.

Note 2: This amount must be prorated by the following calculation, eligible amount of the gift **divided** by the proceeds of disposition of the gift.

Part 3 – Gifts of certified cultural property

		Federal		Québec	Alberta
Gifts of certified cultural property at the end of the previous tax year			3A		
Gifts of certified cultural property expired after five tax years*	439				
Gifts of certified cultural property at the beginning of the current tax year (amount 3A **minus** line 439)	440				
Gifts of certified cultural property transferred on an amalgamation or the wind-up of a subsidiary	450				
Total gifts of certified cultural property in the current year (include this amount on line 112 of Schedule 1)	410				
Subtotal (line 450 **plus** line 410)			3B		
Subtotal (line 440 **plus** amount 3B)			3C		
Adjustment for an acquisition of control	455				
Amount applied in the current year against taxable income (enter this amount on line 313 of the T2 return)	460				
Subtotal (line 455 **plus** line 460)			3D		
Gifts of certified cultural property closing balance (amount 3C **minus** amount 3D)	480				

* For federal and Alberta tax purposes, donations and gifts expire after five tax years. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, expire after five tax years; otherwise, donations and gifts expire after twenty tax years.

Amount carried forward – Gifts of certified cultural property

Year of origin:		Federal	Québec	Alberta
1st prior year	2021-12-31			
2nd prior year	2020-12-31			
3rd prior year	2019-12-31			
4th prior year	2018-12-31			
5th prior year	2017-12-31			
6th prior year*	2016-12-31			
7th prior year	2015-12-31			
8th prior year	2014-12-31			
9th prior year	2013-12-31			
10th prior year	2012-12-31			
11th prior year	2011-12-31			
12th prior year	2010-12-31			
13th prior year	2009-12-31			
14th prior year	2008-12-31			
15th prior year	2007-12-31			
16th prior year	2006-12-31			
17th prior year	2005-12-31			
18th prior year	2004-12-31			
19th prior year	2003-12-31			
20th prior year	2002-12-31			
21st prior year*	2001-12-31			
Total				

* For federal and Alberta tax purposes, donations and gifts included on line *6th prior year* expire automatically in the current tax year. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, that are included on line *6th prior year* and donations and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Part 4 – Gifts of certified ecologically sensitive land

		Federal	Québec	Alberta
Gifts of certified ecologically sensitive land at the end of the previous tax year		4A		
Gifts of certified ecologically sensitive land expired after 5 tax years, or after 10 tax years for gifts made after February 10, 2014*	539			
Gifts of certified ecologically sensitive land at the beginning of the current tax year (amount 4A **minus** line 539)	540			
Gifts of certified ecologically sensitive land transferred on an amalgamation or the wind-up of a subsidiary	550			
Total current-year gifts of certified ecologically sensitive land (include this amount on line 112 of Schedule 1)	520			
Subtotal (line 550 **plus** line 520)		4B		
Subtotal (line 540 **plus** amount 4B)		4C		
Adjustment for an acquisition of control	555			
Amount applied in the current year against taxable income (enter this amount on line 314 of the T2 return)	560			
Subtotal (line 555 **plus** line 560)		4D		
Gifts of certified ecologically sensitive land closing balance (amount 4C **minus** amount 4D)	580			

* For federal and Alberta tax purposes, donations and gifts made before February 11, 2014, expire after five tax years and gifts made after February 10, 2014, expire after ten tax years. For Québec tax purposes, donations and gifts made during a tax year that ended before March 24, 2006, expire after five tax years; otherwise, donation and gifts expire after twenty tax years.

Amounts carried forward – Gifts of certified ecologically sensitive land

Amount of carried forward gifts made on or after February 11, 2014, in the tax year including this date

Year of origin:		Federal	Québec	Alberta
1st prior year	2021-12-31			
2nd prior year	2020-12-31			
3rd prior year	2019-12-31			
4th prior year	2018-12-31			
5th prior year	2017-12-31			
6th prior year*	2016-12-31			
7th prior year	2015-12-31			
8th prior year	2014-12-31			
9th prior year	2013-12-31			
10th prior year	2012-12-31			
11th prior year*	2011-12-31			
12th prior year	2010-12-31			
13th prior year	2009-12-31			
14th prior year	2008-12-31			
15th prior year	2007-12-31			
16th prior year	2006-12-31			
17th prior year	2005-12-31			
18th prior year	2004-12-31			
19th prior year	2003-12-31			
20th prior year	2002-12-31			
21st prior year*	2001-12-31			
Total				

* For federal and Alberta tax purposes, donations and gifts made before February 11, 2014, that are included on line *6th prior year* and gifts that are included on line *11th prior year* expire automatically in the current year.

The field "Amount of carried forward gifts made on or after February 11, 2014, in the tax year including this date" is used to distinguish the portion of the gifts made in the tax year straddling February 11, 2014, that expires after ten tax years, from the portion that expires in the current tax year.

For Québec tax purposes, donations and gifts made during a tax year that ended before March 24, 2006, that are included on line *6th prior year* and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Part 5 – Additional deduction for gifts of medicine

		Federal		Québec	Alberta
Additional deduction for gifts of medicine at the end of the previous tax year			5A		
Additional deduction for gifts of medicine expired after five tax years*	639				
Additional deduction for gifts of medicine at the beginning of the current tax year (amount 5A **minus** line 639)	640				
Additional deduction for gifts of medicine made before March 22, 2017 transferred on an amalgamation or the wind-up of a subsidiary	650				
Additional deduction for gifts of medicine made before March 22, 2017:					
Proceeds of disposition	602				
Cost of gifts of medicine made before March 22, 2017	601				
Subtotal (line 602 **minus** line 601)			5B		
Amount 5B **multiplied** by 50 %			5C		
Eligible amount of gifts	600				

Federal

a ______ x (b ______ / c) = Additional deduction for gifts of medicine made before March 22, 2017 **610** ______

Québec

a ______ x (b ______ / c) = Additional deduction for gifts of medicine made before March 22, 2017 ______

Alberta

a ______ x (b ______ / c) = Additional deduction for gifts of medicine made before March 22, 2017 ______

where:

a is the **lesser** of line 601 and amount 5C

b is the eligible amount of gifts (line 600)

c is the proceeds of disposition (line 602)

		Federal		Québec	Alberta
Subtotal (line 650 **plus** line 610)			5D		
Subtotal (line 640 **plus** amount 5D)			5E		
Adjustment for an acquisition of control	655				
Amount applied in the current year against taxable income (enter this amount on line 315 of the T2 return)	660				
Subtotal (line 655 **plus** line 660)			5F		
Additional deduction for gifts of medicine closing balance (amount 5E **minus** amount 5F)	680				

* For federal and Alberta tax purposes, donations and gifts expire after five tax years. For Québec tax purposes, donations and gifts made in a tax year that ended before March 19, 2007, expire after five tax years; otherwise, donations and gifts expire after twenty tax years.

Amounts carried forward – Additional deduction for gifts of medicine

Year of origin:		Federal	Québec	Alberta
1st prior year	2021-12-31			
2nd prior year	2020-12-31			
3rd prior year	2019-12-31			
4th prior year	2018-12-31			
5th prior year	2017-12-31			
6th prior year*	2016-12-31			
7th prior year	2015-12-31			
8th prior year	2014-12-31			
9th prior year	2013-12-31			
10th prior year	2012-12-31			
11th prior year	2011-12-31			
12th prior year	2010-12-31			
13th prior year	2009-12-31			
14th prior year	2008-12-31			
15th prior year	2007-12-31			
16th prior year	2006-12-31			
17th prior year	2005-12-31			
18th prior year	2004-12-31			
19th prior year	2003-12-31			
20th prior year	2002-12-31			
21st prior year*	2001-12-31			
Total				

* For federal and Alberta tax purposes, donations and gifts included on line *6th prior year* expire automatically in the current tax year. For Québec tax purposes, donations and gifts made in a tax year that ended before March 19, 2007, that are included on line *6th prior year* and donations and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Québec – Gifts of musical instruments

Gifts of musical instruments at the end of the previous tax year		A
Deduct: Gifts of musical instruments expired after twenty tax years		B
Gifts of musical instruments at the beginning of the tax year		C
Add:		
Gifts of musical instruments transferred on an amalgamation or the wind-up of a subsidiary		D
Total current-year gifts of musical instruments		E
Subtotal (line D **plus** line E)		F
Deduct: Adjustment for an acquisition of control		G
Total gifts of musical instruments available		H
Deduct: Amount applied against taxable income (enter this amount on line 255 of form CO-17)		I
Gifts of musical instruments closing balance		J

Amounts carried forward – Gifts of musical instruments

Year of origin:		Québec
1st prior year	2021-12-31	
2nd prior year	2020-12-31	
3rd prior year	2019-12-31	
4th prior year	2018-12-31	
5th prior year	2017-12-31	
6th prior year*	2016-12-31	
7th prior year	2015-12-31	
8th prior year	2014-12-31	
9th prior year	2013-12-31	
10th prior year	2012-12-31	
11th prior year	2011-12-31	
12th prior year	2010-12-31	
13th prior year	2009-12-31	
14th prior year	2008-12-31	
15th prior year	2007-12-31	
16th prior year	2006-12-31	
17th prior year	2005-12-31	
18th prior year	2004-12-31	
19th prior year	2003-12-31	
20th prior year	2002-12-31	
21st prior year*	2001-12-31	
Total		

* These gifts expired in the current year.

T2 SCH 2 E (20)

Canada

Canada Revenue Agency / Agence du revenu du Canada

Schedule 3

Dividends Received, Taxable Dividends Paid, and Part IV Tax Calculation

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2022-12-31

- Corporations must use this schedule to report:
  - non-taxable dividends under section 83
  - deductible dividends under subsection 138(6)
  - taxable dividends deductible from income under section 112, subsection 113(2) and paragraphs 113(1)(a), (a.1), (b) or (d)
  - taxable dividends paid in the tax year that qualify for a dividend refund (see page 3)
- All legislative references are to the federal Income Tax Act.
- The calculations in this schedule apply only to private or subject corporations (as defined in subsection 186(3)).
- A payer corporation is **connected** with a recipient corporation at any time in a tax year, if at that time the recipient corporation meets either of the following conditions:
  - it controls the payer corporation, other than because of a right referred to in paragraph 251(5)(b)
  - it owns more than 10% of the issued share capital (with full voting rights), and shares that have a fair market value of more than 10% of the fair market value of all shares of the payer corporation
- If you need more space, continue on a separate schedule.
- File this schedule with your T2 Corporation Income Tax Return.
- Column A1 – Enter "X" if dividends were received from a foreign source.
  Column F1 – Enter the code that applies to the deductible taxable dividend.

Part 1 – Dividends received in the tax year

- Do **not** include dividends received from foreign non-affiliates.
- Complete columns B, C, D, H, H.1, I, I.1, I.2 and L **only if** the payer corporation is **connected**.

Important instructions to follow if the payer corporation is connected

- If your corporation's tax year-end is different than that of the **connected** payer corporation, dividends could have been received from more than one tax year of the payer corporation. If so, **use a separate line** to provide the information according to each tax year of the payer corporation.
- When completing columns J, K and L use the **special calculations provided in the notes**.

	A Name of payer corporation (from which the corporation received the dividend) 200	A1	B Enter 1 if payer corporation is **connected** 205	C Business number of **connected** corporation 210	D Tax year-end of the payer corporation in which the sections 112/113 and subsection 138(6) dividends in column F were paid YYYYMMDD 220	E Non-taxable dividends under section 83 230
1			2			
					Total of column E (enter amount on line 402 of Schedule 1)	

Part 1 – Dividends received in the tax year (continued)

	F Taxable dividends deductible from taxable income under section 112, subsections 113(2) and 138(6), and paragraphs 113(1)(a), (a.1), (b), or (d) [1] **240**	F1	G Eligible dividends included in column F **242**	H Total taxable dividends paid by the **connected** payer corporation (line 460 in Schedule 3 for the tax year in column D) **250**	H.1 Total eligible dividends paid by the **connected** payer corporation (line 465 in Schedule 3 for the tax year in column D)	I Dividend refund of the **connected** payer corporation (for tax year in column D) [2] **260**
1						

	I.1 Eligible dividend refund of the **connected** payer corporation from its eligible refundable dividend tax on hand (ERDTOH) (amount CC from T2 return for the tax year in column D)	I.2 Additional non-eligible dividend refund of the **connected** payer corporation from its ERDTOH (amount II from T2 return for the tax year in column D)	J Part IV tax for eligible dividends. Dividends (from column G) **multiplied** by 38 1/3% [3] **265**	K Part IV tax before deductions. Dividends (from column F) **multiplied** by 38 1/3% [4] **275**	L Part IV tax before deductions on taxable dividends received from **connected** corporations [5] **280**
1					

Total of column L (enter amount on line 2E in Part 2)

Taxable dividends received from connected corporations (total amounts from column F with code 1 in column B) 1A

Taxable dividends received from non-connected corporations (total amounts from column F with code 2 in column B) 1B

Subtotal (amount 1A **plus** amount 1B, include this amount on line 320 of the T2 return) 1C

Eligible dividends received from connected corporations (total amounts from column G with code 1 in column B) 1D

Eligible dividends received from non-connected corporations (total amounts from column G with code 2 in column B) 1E

Part IV tax before deductions on taxable dividends received from connected corporations (total amounts from column K with code 1 in column B) 1F

Part IV tax before deductions on taxable dividends received from non-connected corporations (total amounts from column K with code 2 in column B) 1G

Subtotal (amount 1F **plus** amount 1G) ▶ 1H

Part IV tax on eligible dividends received from connected corporations (total amounts from column J with code 1 in column B) 1I

Part IV tax on eligible dividends received from non-connected corporations (total amounts from column J with code 2 in column B) 1J

Subtotal (amount 1I **plus** amount 1J) ▶ 1K

Part IV tax before deductions on taxable dividends (other than eligible dividends) (amount 1H **minus** amount 1K) 1L

1 If taxable dividends are received, enter the amount in column F, but if the corporation is not subject to Part IV tax (such as a public corporation other than a subject corporation as defined in subsection 186(3)), enter "0" in column K (and column J, if applicable). Life insurers are not subject to Part IV tax on subsection 138(6) dividends.

2 If the **connected** payer corporation's tax year ends after the corporation's balance-due day for the tax year (two or three months, as applicable), you have to estimate the payer's dividend refund when you calculate the corporation's Part IV tax payable.

3 For eligible dividends received from **connected** corporations, Part IV tax on dividends is equal to column I **divided** by column H **multiplied** by column G.

4 For taxable dividends received from **connected** corporations, Part IV tax on dividends is equal to column I **divided** by column H **multiplied** by column F.

5 For the purpose of calculating your eligible refundable dividend tax on hand (ERDTOH), Part IV tax on taxable dividends received from **connected** corporations (with a tax year starting after 2018) is equal to the sum of Part IV tax on eligible dividends and non-eligible dividends received from **connected** corporations to the extent that such dividends caused a dividend refund to those corporations from their ERDTOH.

Part IV tax before deductions on taxable dividends received from **connected** corporations for purposes of column L is the sum of (i) and (ii), where

(i) Part IV tax on eligible dividends received from **connected** corporations is equal to amount CC of the **connected** payer corporation (on page 7 of the T2 return) **divided** by line 465 of the **connected** payer corporation, **multiplied** by column G; and

(ii) Part IV tax on non-eligible dividends received from **connected** corporations is equal to amount II of the **connected** payer corporation (on page 7 of the T2 return) **divided** by line 470 of the **connected** payer corporation, **multiplied** by the difference between columns F and G.

Part 2 – Calculation of Part IV tax payable

Part IV tax on dividends received before deductions (amount 1H in part 1)			2A	
Part IV.I tax payable on dividends subject to Part IV tax (from line 360 of Schedule 43)	320			
Subtotal (amount 2A **minus** line 320)			►	2B
Current-year non-capital loss claimed to reduce Part IV tax	330			
Non-capital losses from previous years claimed to reduce Part IV tax	335			
Current-year farm loss claimed to reduce Part IV tax	340			
Farm losses from previous years claimed to reduce Part IV tax	345			
Total losses applied against Part IV tax (total of lines 330 to 345)			2C	
Amount 2C **multiplied** by 38 1 / 3 %				2D
Part IV tax payable (amount 2B **minus** amount 2D, if negative enter "0") (enter amount on line 712 of the T2 return)			360	

If your tax year begins after 2018, complete the following part to determine the required amount of Part IV taxes payable in order to calculate the eligible refundable dividend tax on hand (ERDTOH) at the end of the tax year.

Part IV tax before deductions on taxable dividends received from connected corporations (total of column L in part 1)		2E
Amount 4A from Schedule 43		2F
Part IV tax payable on taxable dividends received from connected corporations (amount 2E **minus** amount 2F, if negative enter "0") (enter at amount L on page 7 of the T2 return)		2G
Part IV tax on eligible dividends received from non-connected corporations (amount 1J in part 1)		2H
Amount 4C from Schedule 43		2I
Part IV tax payable on taxable dividends received from non-connected corporations (amount 2H **minus** amount 2I, if negative enter "0") (enter at amount M on page 7 of the T2 return)		2J

Part 3 – Taxable dividends paid in the tax year that qualify for a dividend refund

If your corporation's tax year-end is different than that of the recipient corporation with which you are connected, your corporation could have paid dividends in more than one tax year of the recipient corporation. If so, use a separate line to provide the information according to each tax year of the recipient corporation.

	L Name of recipient corporation with which you are connected 400	M Business number 410	N Tax year-end of recipient corporation in which the dividends in column O were received YYYYMMDD 420	O Taxable dividends paid to recipient corporations with which you are connected 430	P Eligible dividends included in column O 440
1	Town of Innisfil	12194 7188 RC0001	2022-12-31	212,589	
2					
				212,589 (Total of column O)	(Total of column P)

Part 3 – Taxable dividends paid in the tax year that qualify for a dividend refund (continued)

Total taxable dividends paid in the tax year to other than connected corporations		450	
Eligible dividends included in line 450	455		
Total taxable dividends paid in the tax year that qualify for a dividend refund (total of column O **plus** line 450)		460	212,589
Total eligible dividends paid in the tax year (total of column P **plus** line 455)		465	
Total non-eligible taxable dividends paid in the tax year (line 460 **minus** line 465)		470	212,589

Complete this part to determine the following amounts in order to calculate the dividend refund.

Line 465 **multiplied** by 38 1 / 3 % (enter at amount AA on page 7 of the T2 return)		3A
Line 470 **multiplied** by 38 1 / 3 % (enter at amount DD on page 7 of the T2 return)	81,492	3B

Part 4 – Total dividends paid in the tax year

Complete this part **if** the total taxable dividends paid in the tax year that qualify for a dividend refund (line 460) is different from the total dividends paid in the tax year.

Total taxable dividends paid in the tax year for the purposes of a dividend refund (from above)				212,589
Other dividends paid in the tax year (total of 510 to 540)				
Total dividends paid in the tax year			500	212,589
Dividends paid out of capital dividend account	510			
Capital gains dividends	520			
Dividends paid on shares described in subsection 129(1.2)	530			
Taxable dividends paid to a controlling corporation that was bankrupt at any time in the year	540			
Subtotal (total of lines 510 to 540)			►	4A
Total taxable dividends paid in the tax year that qualify for a dividend refund (Line 500 **minus** amount 4A)				212,589 4B

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Schedule 5

Tax Calculation Supplementary – Corporations

Corporation's name	Business Number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2022-12-31

- Use this schedule if any of the following apply to your corporation during the tax year:
  - it had a permanent establishment in more than one jurisdiction (corporations that have no taxable income should only complete columns A, B, and D in Part 1)
  - it is claiming provincial or territorial tax credits or rebates (see Part 2)
  - it has to pay taxes, other than income tax, for Newfoundland and Labrador or Ontario (see Part 2)
- All legislative references are to the federal Income Tax Regulations (the Regulations).
- For more information, see the T2 Corporation – Income Tax Guide.
- For the regulation number to be entered in field 100 of Part 1, see the chart below.

Part 1 – Allocation of taxable income

100 ______ Enter the regulation that applies (402 to 413)

A Jurisdiction. Tick yes if your corporation had a permanent establishment in the jurisdiction during the tax year Note 1		B Total salaries and wages paid in jurisdiction	C (B x taxable income) / G	D Gross revenue attributable to jurisdiction	E (D x taxable income) / H	F Allocation of taxable income (C + E) x 1/2 Note 2 (where either G or H is nil, do not multiply by 1/2)
Newfoundland and Labrador	003 Yes ☐	103		143		
Newfoundland and Labrador Offshore	004 Yes ☐	104		144		
Prince Edward Island	005 Yes ☐	105		145		
Nova Scotia	007 Yes ☐	107		147		
Nova Scotia Offshore	008 Yes ☐	108		148		
New Brunswick	009 Yes ☐	109		149		
Quebec	011 Yes ☐	111		151		
Ontario	013 Yes ☐	113		153		
Manitoba	015 Yes ☐	115		155		
Saskatchewan	017 Yes ☐	117		157		
Alberta	019 Yes ☐	119		159		
British Columbia	021 Yes ☐	121		161		
Yukon	023 Yes ☐	123		163		
Northwest Territories	025 Yes ☐	125		165		
Nunavut	026 Yes ☐	126		166		
Outside Canada	027 Yes ☐	127		167		
Total		129 G		169 H		

Note 1: **Permanent establishment** is defined in subsection 400(2).
Note 2: For corporations other than those described under section 402, use the appropriate calculation described in the Regulations to allocate taxable income.

Notes:

1. After determining the allocation of taxable income, you have to calculate the corporation's provincial or territorial tax payable. For more information on how to calculate the tax for each province or territory, see the instructions for Schedule 5 in the T2 Corporation – Income Tax Guide.
2. If your corporation has provincial or territorial tax payable, complete Part 2.
3. If your corporation is a member of a partnership and the partnership had a permanent establishment in a jurisdiction, select the jurisdiction in Column A and include your proportionate share of the partnership's salaries and wages and gross revenue in columns B and D, respectively.

Part 2 – Ontario tax payable, tax credits, and rebates

Total taxable income	Income eligible for small business deduction	Provincial or territorial allocation of taxable income	Provincial or territorial tax payable before credits

Ontario basic income tax (from Schedule 500)	270		
Ontario small business deduction (from Schedule 500)	402		
Subtotal (line 270 **minus** line 402)		►	5A
Ontario transitional tax debits (from Schedule 506)	276		
Recapture of Ontario research and development tax credit (from Schedule 508)	277		
Subtotal (line 276 **plus** line 277)		►	5B
Gross Ontario tax (amount 5A **plus** amount 5B)			5C
Ontario resource tax credit (from Schedule 504)	404		
Ontario tax credit for manufacturing and processing (from Schedule 502)	406		
Ontario foreign tax credit (from Schedule 21)	408		
Ontario credit union tax reduction (from Schedule 500)	410		
Ontario political contributions tax credit (from Schedule 525)	415		
Ontario non-refundable tax credits (total of lines 404 to 415)		►	5D
Subtotal (amount 5C **minus** amount 5D) (if negative, enter "0")			5E
Ontario research and development tax credit (from Schedule 508)		416	
Ontario corporate income tax payable before Ontario corporate minimum tax credit and Ontario community food program donation tax credit for farmers (amount 5E **minus** line 416) (if negative, enter "0")			5F
Ontario corporate minimum tax credit (from Schedule 510)		418	
Ontario community food program donation tax credit for farmers (from Schedule 2)		420	
Ontario corporate income tax payable (amount 5F **minus** the total of lines 418 and 420) (if negative, enter "0")			5G
Ontario corporate minimum tax (from Schedule 510)	278		
Ontario special additional tax on life insurance corporations (from Schedule 512)	280		
Subtotal (line 278 **plus** line 280)		►	5H
Total Ontario tax payable before refundable tax credits (amount 5G **plus** amount 5H)			5I
Ontario qualifying environmental trust tax credit	450		
Ontario co-operative education tax credit (from Schedule 550)	452		
Ontario apprenticeship training tax credit (from Schedule 552)	454		
Ontario computer animation and special effects tax credit (from Schedule 554)	456		
Ontario film and television tax credit (from Schedule 556)	458		
Ontario production services tax credit (from Schedule 558)	460		
Ontario interactive digital media tax credit (from Schedule 560)	462		
Ontario book publishing tax credit (from Schedule 564)	466		
Ontario innovation tax credit (from Schedule 566)	468		
Ontario business-research institute tax credit (from Schedule 568)	470		
Ontario regional opportunities investment tax credit (from Schedule 570)	472		
Ontario refundable tax credits (total of lines 450 to 472)		►	5J
Net Ontario tax payable or refundable tax credit (amount 5I **minus** amount 5J) (if a credit, enter amount in brackets) Include this amount on line 255.		290	

Summary

Enter the total net tax payable or refundable tax credits for all provinces and territories on line 255.

Net provincial and territorial tax payable or refundable tax credits 255

If the amount on line 255 is positive, enter the net provincial and territorial tax payable on line 760 of the T2 return.
If the amount on line 255 is negative, enter the net provincial and territorial refundable tax credits on line 812 of the T2 return.

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Schedule 7

Aggregate Investment Income and Income Eligible for the Small Business Deduction

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2022-12-31

- Use this schedule if you are a Canadian-controlled private corporation (CCPC) to calculate:
  - your aggregate investment income and foreign investment income, as defined in subsection 129(4), to determine the refundable portion of Part I tax, and your adjusted aggregate investment income, as defined in subsection 125(7), for the purpose of the business limit reduction
  - your **specified partnership income**, as defined in subsection 125(7), if you are a member (or **designated member**) of one or more partnerships, and
  - your income from an active business carried on in Canada eligible for the small business deduction including any **specified corporate income** as defined in subsection 125(7)
- Use this schedule if another CCPC is making an assignment of **business limit** under subsection 125(3.2) to you.
- Use this schedule if you are a member of a partnership to assign **specified partnership business limit** to a **designated member** under subsection 125(8).
  Note: If you are an individual, a trust, or a corporation that is not a CCPC, **only** complete Table 1 (columns A1, B1, C1, G1, H1 and J1) and Table 3 to make this assignment. Individuals and trusts can attach the pages with these completed tables to their respective tax returns.
- The adjusted aggregate investment income, for the purpose of the business limit reduction, also applies to a tax year of a corporation that begins before 2019 and ends after 2018 under the following circumstances:
  - the corporation's preceding tax year was, because of a transaction or event or a series of transactions or events, shorter than it would have been in the absence of that transaction, event or series, and
  - one of the reasons for the transaction, event or series was to defer the application of subsections 125(5.1), (5.2) and (7) to the corporation
- All legislative references are to the federal Income Tax Act.
- For more information, see **Small Business Deduction** and **Refundable Portion of Part I Tax** in Guide T4012, T2 Corporation – Income Tax Guide.

Part 1 – Aggregate investment income

Aggregate investment income is all **world** source income.

Description	Line	Amount	Line	Amount	
Eligible portion of taxable capital gains for the year			002		
Eligible portion of allowable capital losses for the year (including allowable business investment losses)	012				
Net capital losses of previous years claimed on line 332 on the T2 return	022				
Subtotal (line 012 **plus** line 022)					A
Line 002 **minus** amount A (if negative, enter "0")					B
Total income from property (include income from a specified investment business carried on in Canada other than income from a source outside Canada)	032	78,000			
Exempt income	042				
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for the year	052				
Taxable dividends deductible (total of column F on Schedule 3 **minus** related expenses)	062				
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)	072				
Subtotal (**add** lines 042, 052, 062 and 072)					C
Subtotal (line 032 **minus** amount C)		78,000		78,000	D
Amount B **plus** amount D				78,000	E
Total losses from property (include losses from a specified investment business carried on in Canada other than a loss from a source outside Canada)			082	1,342,000	
Amount E **minus** line 082 (if negative, enter "0") (enter on line 440 of the T2 return)			092		

Part 2 – Adjusted aggregate investment income

Description	Line	Amount	Line	Amount	Line	Amount	
Eligible portion of taxable capital gains for the year (other than taxable capital gains from the disposition of an active asset note 13)					705		
Eligible portion of allowable capital losses for the year (including allowable business investment losses) (other than allowable capital losses from the disposition of an active asset note 13)					710		
Subtotal (line 705 **minus** line 710) (if negative, enter "0")							F
Total income from property note 14			715	78,000			
Exempt income	720						
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for the year	725						
Dividends from connected corporations	730						
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)	735						
Subtotal (**add** lines 720, 725, 730 and 735)			►		G		
Subtotal (line 715 **minus** amount G)				78,000	►	78,000	H
Amount F **plus** amount H						78,000	I
Total losses from property note 14					740	1,342,000	
Amount, if any, deducted under subsection 91(4) in computing the corporation's income for the year					741		
Adjusted aggregate investment income (amount I **minus** line 740, **plus** line 741) (if negative, enter "0")					745		

If this is your first tax year starting after 2018, complete the following portion.

Description	Amount		Amount		Amount	
Eligible portion of taxable capital gains for each tax year that ended in the preceding calendar year (other than taxable capital gains from the disposition of an active asset note 13)						2A
Eligible portion of allowable capital losses for each tax year that ended in the preceding calendar year (including allowable business investment losses)(other than allowable capital losses from the disposition of an active asset note 13)						2B
Subtotal (amount 2A **minus** amount 2B) (if negative, enter "0")						2C
Total income from property for each tax year that ended in the preceding calendar year note 14				2D		
Exempt income for each tax year that ended in the preceding calendar year		2E				
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for each tax year that ended in the preceding calendar year		2F				
Dividends from connected corporations for each tax year that ended in the preceding calendar year		2G				
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a) for each tax year that ended in the preceding calendar year		2H				
Subtotal (**add** amounts 2E, 2F, 2G and 2H)		►		2I		
Subtotal (amount 2D **minus** amount 2I)				►		2J
Amount 2C **plus** amount 2J						2K
Total losses from property for each tax year that ended in the preceding calendar year note 14						2L
Amount, if any, deducted under subsection 91(4) in computing the corporation's income for each tax year that ended in the preceding calendar year					742	
Adjusted aggregate investment income (amount 2K **minus** amount 2L, **plus** line 742) (if negative, enter "0")					744	

(enter the total of line 744 and the adjusted aggregate investment income of all associated corporations on line 417 of the T2 return)

Part 3 – Foreign investment income

Foreign investment income is all income from sources **outside Canada**.

Eligible portion of taxable capital gains for the year			**001**	
Eligible portion of allowable capital losses for the year (including allowable business investment losses)			**009**	
Subtotal (line 001 **minus** line 009) (if negative, enter "0")				J
Total income from property from a source **outside Canada** (net of related expenses)		**019**		
Exempt income	**029**			
Taxable dividends deductible (total of column F on Schedule 3 **minus** related expenses)	**049**			
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)	**059**			
Subtotal (**add** lines 029, 049, and 059)	►	K		
Subtotal (line 019 **minus** amount K)		►		L
Amount J **plus** amount L				M
Total losses from property from a source **outside Canada**			**069**	
Amount M **minus** line 069 (if negative, enter "0") (enter on line 445 of the T2 return)			**079**	

Part 3A – Canadian and foreign investment income and adjusted aggregate investment income calculation

	A Canadian investment income	B Foreign investment income	C Adjusted aggregate investment income*	
Eligible portion of the taxable capital gains for the year before taking into account the capital gains reserves (federal) of Schedule 13*				1.1
Eligible portion of capital gains reserves (addition/deduction)*, **				1.2
Taxable capital gains under section 34.2 (line 275 on Schedule 73)**				1.3
Eligible portion of the taxable capital gains for the year (**add** amounts 1.1, 1.2, and 1.3)				1
Eligible portion of allowable capital losses for the year (including allowable business investment losses)*				2.1
Net capital losses of previous years (line 332 on the T2 return)				2.2
Allowable capital losses under section 34.2 (line 285 of Schedule 73)**				2.3
Allowable capital losses for the year (**add** amounts 2.1, 2.2 and 2.3)				2
Amount 1 **minus** amount 2 (if negative, enter "0")				3
Taxable dividends				4.1
Rental property income (under regulation 1100(11))				4.2
Other property income*	78,000		78,000	4.3
Property income under section 34.2 (line 280 of Schedule 73)**				4.4
Total property income (**add** amounts 4.1, 4.2, 4.3 and 4.4)	78,000		78,000	4
Exempt income				5.1
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for the year				5.2
Taxable dividends deductible (total of column F on Schedule 3 **minus** related expenses)*				5.3
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)				5.4
Add amounts 5.1, 5.2, 5.3 and 5.4				5
Amount 4 **minus** amount 5	78,000		78,000	6
Amount 3 **plus** amount 6	78,000		78,000	7
Rental property losses (under regulation 1100(11))				8.1
Dividend losses				8.2
Other property losses*	1,342,000		1,342,000	8.3
Property losses under section 34.2 (line 280 of Schedule 73)**				8.4
Total property losses (**add** amounts 8.1, 8.2, 8.3 and 8.4)	1,342,000		1,342,000	8
Amount 7 **minus** amount 8 (if negative, enter "0")				9
Amount, if any, deducted under subsection 91(4) in computing the corporation's income for the year				10
Amount 7 **minus** amount 8 **plus** amount 10 (if negative, enter "0")				11

* To calculate the adjusted aggregate investment income under column C:

- On lines 1.1, 1.2, 1.3, 2.1 and 2.3, only capital gains and losses resulting from the disposition of property other than an active asset (as defined under subsection 125(7) ITA) are to be taken into account.
- On line 4.3, include amounts in respect of a life insurance policy that are included in computing the corporation's income for the year (even if those amounts are not included in the calculation of the corporation's investment income in column A and B) as well as the income from a specified foreign investment business.
- On line 5.3, only the dividends received from a connected corporation should be included.
- On line 8.3, include the loss from a specified foreign investment business.

For more information on the calculation of the adjusted aggregate investment income, consult notes 13 and 14 at the end of this form as well as the Help (F1).

** When an amount is entered on these lines in column B, it reduces the corresponding amount in column A. For more information, consult the Help (F1).

Net taxable dividends		A*	Canadian	Foreign	Total
Taxable dividends deducted per Schedule 3					
Less: Expenses related to such dividends					
Total expenses					
Net taxable dividends					

* Column A – Enter an "X" if the expense is related to a dividend received from a connected corporation.

Part 4 – Specified partnership income

Table 1 – Specified partnership income

A	A1	1A
Is the corporation a designated member of the partnership?	Partnership name 200	Partnership's account number
Yes No		

B1	C1	D1	1D	2D	E1	F1
Total income (loss) of partnership from an active business 300	Your share of amount in column B1 310	Income of the corporation from providing (directly or indirectly) services or property to the partnership 311	Prorated amounts calculated under section 34.2 note 1	Expenses the corporation incurred to earn partnership income	Adjustments (column 1D **minus** column 2D) 315	Corporation's income (loss) in respect of the partnership note 2 (**add** columns C1, D1 and E1) 320
					Total 350	

G1	H1	I1	J1	K1	L1	M1
Number of days in the partnership's fiscal period note 15 325	Prorated business limit notes 2 and 3 (column C1 ÷ column B1) × [$ 500 000 × (column G1 ÷ 365)] (if column C1 is negative, enter "0") 330	Specified partnership business limit **assigned to you** (from H2 in Table 2) note 5 335	Specified partnership business limit **assigned by you** from F3 in Table 3) note 6 336	Specified partnership business limit amount (column H1 **plus** column I1 **minus** column J1)	Column F1 **minus** column K1 (if negative, enter "0")	Lesser of columns F1 and K1 (if column F1 is negative, enter "0") note 4 340
				Total 385		360

Corporation's losses for the year from an active business carried on in Canada (other than as a member of a partnership) – enter as a positive amount . . . . 370 ____

Specified partnership loss of the corporation for the year – enter as a positive amount (total of all negative amounts in column F1) . . . . 380 ____

Subtotal (line 370 **plus** line 380) ____ N

Amount at line 385 or amount N, whichever is less . . . . 390 ____

Specified partnership income (line 360 **plus** line 390) . . . . 400 ____
(enter at amount R in Part 5)

Part 4 – Specified partnership income (continued)

Tables 2 and 3 are used to make an assignment of **specified partnership business limit** under subsection 125(8). A person that is a member of a partnership can make an assignment of **specified partnership business limit** under subsection 125(8) to a **designated member**.

If you are a CCPC that is a designated member and **receiving** specified partnership business limit from a person that is a member of the partnership, complete Table 2.

If you are a member of the partnership and are **assigning** specified partnership business limit to a designated member, complete Table 3.

Table 2 – A member is assigning to you specified partnership business limit under subsection 125(8)

A2	2A	B2
Partnership name 405	Partnership's account number	Name of the member 406

C2	D2	E2	F2	G2	H2
Business number of the member (if applicable) 410	Social insurance number of the member (if applicable) 411	Trust account number of the member (if applicable) 412	Tax year start of the member (YYYYMMDD) 415	Tax year-end of the member (YYYYMMDD) 416	Specified partnership business limit assigned to you by the member note 7 420

Table 3 – You are assigning to a designated member (CCPC) specified partnership business limit under subsection 125(8)

A3	3A	B3
Partnership name 425	Partnership's account number	Name of the designated member 426

C3	D3	E3	F3
Business number of the designated member 430	Tax year start of the designated member (YYYYMMDD) 435	Tax year-end of the designated member (YYYYMMDD) 436	Specified partnership business limit assigned by you to the designated member note 8 440

Part 5 – Partnership income not eligible for the small business deduction

Corporation's income from active businesses carried on in Canada as a member or designated member of a partnership (after deducting related expenses) – from line 350 in Part 4 (if the net amount is negative, enter "0" on line 450) . . . . ________ O

Specified partnership loss (from line 380 in Part 4) . . . . ________ P

Subtotal (amount O **plus** amount P) ________ Q

Specified partnership income (from line 400 in Part 4) . . . . ________ R

Partnership income not eligible for the small business deduction (amount Q **minus** amount R) . . . . 450 ________
(enter at amount Z in Part 6)

Part 6 – Income eligible for the small business deduction

Net income for income tax purposes from line 300 of the T2 return		787,925	S	
Allowable business investment loss from line 406 of Schedule 1			T	
Subtotal (amount S **plus** amount T)		787,925	▶	787,925 U
Foreign business income after deducting related expenses note 9	500			
Taxable capital gains from line 113 of Schedule 1			V	
Net property income (line 032 note 10 **minus** the total of lines 042, 052 and 082 note 9 in Part 1)		-1,264,000	W	
Personal services business income after deducting related expenses note 9	e1			
Other income after deducting related expenses note 9	e2			
Subtotal (amount e1 **plus** amount e2) note 9 ▶	520			
Subtotal (**add** line 500, amount V, amount W and line 520)		-1,264,000	▶	-1,264,000 X
Net amount (amount U **minus** amount X)				2,051,925 Y
Partnership income not eligible for the small business deduction (line 450 in Part 5)			Z	
Partnership income allocated to your corporation under subsection 96(1.1)	530			
Income referred to in clause 125(1)(a)(i)(C)	540			
Income referred to in clause 125(1)(a)(i)(B) (from line 615 in Part 7)			AA	
Subtotal (**add** amount Z, line 530, line 540 and amount AA)			▶	BB
Specified corporate income (from line 625 in Part 7)				CC
Income eligible for the small business deduction (amount Y **minus** amount BB, **plus** amount CC) (enter amount DD on line 400 of the T2 return - if negative, enter "0")				2,051,925 DD

Part 7 – Specified corporate income and assignment under subsection 125(3.2)

	1EE Name of the corporation	EE Business number of the corporation 600	FF Income described under clause 125(1)(a)(i)(B) received from the corporation identified in column EE note 11 610	GG Business limit assigned from the corporation identified in column EE note 12 620
1				
			Total 615	Total 625

See the privacy notice on your return.

Notes

1. Do **not** include expenses that were deducted in computing the income of the corporation in column D1.

   In general, amounts included under subsections 34.2(2) and 34.2(3) or claimed under subsection 34.2(4) are deemed to have the **same character** and be in the **same proportions** as the partnership income they relate to. For example, if a corporation receives $100,000 of partnership income for the partnership's fiscal period ending in its tax year, and that income is made up of $40,000 of active business income, $30,000 of income from property, and $30,000 as a taxable capital gain, the corporation's adjusted stub period accrual (ASPA) in respect of the partnership would be 40% active business income, 30% property income, and 30% taxable capital gains. Add or deduct only the portion of the following amounts that are characterized as **active business income** in accordance with subsection 34.2(5):

   Add:
   – the ASPA under subsection 34.2(2) (column 4 of Schedule 73)
   – the income inclusion for a new corporate member of a partnership under subsection 34.2(3) (column 6 of Schedule 73)

   Deduct:
   – the previous-year ASPA under subsection 34.2(4) (column 5 of Schedule 73)
   – the previous-year income inclusion for a new corporate member of a partnership under subsection 34.2(4) (column 7 of Schedule 73)
2. When a partnership carries on more than one business, one of which generates income and another of which realizes a loss, the loss is **not** netted against the partnership's income when calculating the prorated business limit (column H1). Enter on line 380 the total of all losses from column F1.
3. **If** you are a **designated member** of the partnership, enter "0".
4. You must enter "0" **if** the partnership provides services or property to either:
   (A) a private corporation (directly or indirectly in any manner whatever) in the year, if:
   - you (or one of your shareholders) or a person that does **not** deal at arm's length with you (or one of your shareholders) holds a direct or indirect interest in the private corporation, and
   - it is not the case that all or substantially all of the partnership's income for the year from an active business is from providing services or property to
     – persons (other than the private corporation) that deal at arm's length with the partnership and each person that holds a direct or indirect interest in the partnership, or
     – partnerships with which the partnership deals at arm's length, other than a partnership in which a person that does **not** deal at arm's length with you holds a direct or indirect interest, or

   (B) a particular partnership (directly or indirectly in any manner whatever) in the year, if:
   - you (or one of your shareholders) do **not** deal at arm's length with the particular partnership or a person that holds a direct or indirect interest in the particular partnership, and
   - it is not the case that all or substantially all of the partnership's income for the year from an active business is from providing services or property to
     – persons that deal at arm's length with the partnership and each person that holds a direct or indirect interest in the partnership, or
     – partnerships (other than the particular partnership) with which the partnership deals at arm's length, other than a partnership in which a person that does **not** deal at arm's length with you holds a direct or indirect interest.
5. If you are a CCPC that is a **designated member** receiving an assignment of **specified partnership business limit,** complete Table 2 to determine the amounts to enter in Table 1 column I1.
6. If you are a **member** of the partnership and you are assigning **specified partnership business limit**, complete Table 3 to determine the amounts to enter in Table 1 column J1.
7. Add the amounts in column H2 that are for the same partnership and enter it in Table 1 column I1, in the row of the applicable partnership.
8. Add the amounts in column F3 that are for the same partnership and enter it in Table 1 column J1, in the row of the applicable partnership. This amount **cannot** be higher than the amount of prorated business limit you would otherwise be entitled to in Table 1 column H1 for that partnership.
9. If negative, enter amount in brackets, and **add** instead of subtracting.
10. Net of related expenses.
11. This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts, each of which is your income from an active business for the year from providing services or property to a private corporation (directly or indirectly, in any manner whatever) if
    (A) at any time in the year, you (or one of your shareholders) or a person that does not deal at arm's length with you (or one of your shareholders) holds a direct or indirect interest in the private corporation, and
    (B) it is not the case that all or substantially all of your income for the year from an active business is from providing services or property to
    (I) persons (other than the private corporation) with which you deal at arm's length, or
    (II) partnerships with which you deal at arm's length, other than a partnership in which a person that does not deal at arm's length with you holds a direct or indirect interest.

    Do **not** include specified farming or fishing income. If the conditions described in subsection 125(10) are met, do not include income from an associated corporation.
12. The amount of business limit that a CCPC can assign to you cannot be greater than the amount in column FF that is from providing services or property **directly** to that CCPC. If there is an amount included in column FF that is deductible by that CCPC in respect of the amount of its income referred to in clause 125(1)(a)(i)(A) or (B) for its tax year, you need to deduct it from column FF for the purpose of determining the amount that can be assigned to you.

Notes (continued)

13. Active asset, of a particular corporation at any time, means property that is:

(A) used at that time principally in an active business carried on primarily in Canada by the particular corporation or by a Canadian-controlled private corporation that is related to the particular corporation,

(B) a share of the capital stock of another corporation if, at that time,

- the other corporation is connected with the particular corporation (within the meaning assigned by subsection 186(4) on the assumption that the other corporation is at that time a payer corporation within the meaning of that subsection), and
- the share would be a qualified small business corporation share (as defined in subsection 110.6(1)) if:

– the references in that definition to an "individual" were references to the particular corporation, and

– that definition were read without reference to "the individual's spouse or common-law partner", or

(C) an interest in a partnership, if:

- at that time, the fair market value of the particular corporation's interest in the partnership is equal to or greater than 10% of the total fair market value of all interests in the partnership,
- throughout the 24-month period ending before that time, more than 50% of the fair market value of the property of the partnership was attributable to property described in this paragraph or in paragraph (A) or (B), and
- at that time, all or substantially all of the fair market value of the property of the partnership was attributable to property described in this paragraph or in paragraph (A) or (B).

14. Income or loss from property of a particular corporation, for the purposes of calculating the corporation's adjusted aggregate investment income, includes income or loss from a specified investment business, as well as all amounts in respect of a life insurance policy that are included in computing the corporation’s income for the year (even if those amounts were not included in the computation of the corporation’s aggregate investment income in Part 1).

15. The maximum number of days that can be entered in column G1 for a partnership's fiscal period is 365, it is not adjusted for a leap year.

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Schedule 8

Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2022-12-31

For more information, see the section called "Capital Cost Allowance" in the T2 Corporation Income Tax Guide.

Is the corporation electing under Regulation 1101(5q)? **101** Yes [ ] No [X]

Part 1 – Agreement between associated eligible persons or partnerships (EPOPs)

Are you associated in the tax year with one or more EPOPs with which you have entered into an agreement under subsection 1104(3.3) of the Regulations? . . . . **105** Yes [X] No [ ]

If you answered **yes**, complete Part 1. Otherwise, go to Part 2.

Enter a percentage assigned to each associated EPOP (including your corporation) as determined in the agreement.

This percentage will be used to allocate the immediate expensing limit. The total of all the percentages assigned under the agreement should not exceed 100%. If the total is more than 100%, then the associated group has an immediate expensing limit of nil. For more information about the immediate expensing limit, see note 12 in Part 2.

	1 Name of EPOP **110**	2 Identification number See **note 1** **115**	3 Percentage assigned under the agreement **120**
1.	InnPower Corporation	892422817RC0001	95.000
2.	Innservices Utilities Inc.	816897326RC0001	
3.	Town of Innisfil	NR	
4.	Innterprises Inc.	865564595RC0001	5.000
		Total	100.000

Immediate expensing limit allocated to the corporation (see **note 2**) **125** 1,425,000

Note 1: The identification number is the social insurance number, business number, or partnership account number of the EPOP.

Note 2: If the total of column 3 is more than 100%, enter 0.

Part 2 – CCA calculation

	1 Class number See **note 3** **200**	Description	2 Undepreciated capital cost (UCC) at the beginning of the year **201**	3 Cost of acquisitions during the year (new property must be available for use) See **note 4** **203**	4 Cost of acquisitions from column 3 that are designated immediate expensing property (DIEP) See **note 5** **232**	5 Adjustments and transfers See **note 6** **205**	6 Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition See **note 7** **221**	7 Amount from column 5 that is repaid during the year for a property, subsequent to its disposition See **note 8** **222**	8 Proceeds of dispositions See **note 9** **207**
1.	1	Buildings	18,775,116						0
2.	8	Equipment and tools	1,017,466	351,079	351,079				0
3.	10	Rolling stock and vehicles	197,280	48,945	48,945				0
4.	45	Computer equipment and software	14						0
5.	47	Electrical energy distribution	29,496,512	3,346,593					134,000
6.	50	Computer equipment	85,112	405,768	405,768				0
7.	14.1		151,958						0
8.	1b	Building	287,790	143,855					0
9.	95	WIP	3,807,000	2,201,000	2,201,000				0
		Totals	53,818,248	6,497,240	3,006,792				134,000

	1 Class number	Description	9 Proceeds of dispositions of the DIEP (enter amount from column 8 that relates to the DIEP reported in column 4) **234**	10 UCC (column 2 **plus** column 3 **plus** or **minus** column 5 **minus** column 8) See **note 10**	11 UCC of the DIEP (enter the UCC amount that relates to the DIEP reported in column 4) See **note 11** **236**	12 Immediate expensing See **note 12** **238**	13 Cost of acquisitions on remainder of Class (column 3 **minus** column 4 **plus** column 11 **minus** column 12)	14 Cost of acquisitions from column 13 that are accelerated investment incentive properties (AIIP) or properties included in Classes 54 to 56 See **note 13** **225**	15 Remaining UCC (column 10 **minus** column 12) (if negative, enter "0")	16 Proceeds of disposition available to reduce the UCC of AIIP and property included in Classes 54 to 56 (column 8 **minus** column 9 **plus** column 6 **minus** column 13 **plus** column 14 **minus** column 7) (if negative, enter "0") See **note 14**
1.	1	Buildings		18,775,116					18,775,116	
2.	8	Equipment and tools		1,368,545	351,079	351,079			1,017,466	
3.	10	Rolling stock and vehicles		246,225	48,945	48,945			197,280	
4.	45	Computer equipment and software		14					14	
5.	47	Electrical energy distribution		32,709,105			3,346,593	3,346,593	32,709,105	134,000
6.	50	Computer equipment		490,880	405,768	405,768			85,112	
7.	14.1			151,958					151,958	
8.	1b	Building		431,645			143,855	143,855	431,645	

	1 Class number	Description	9 Proceeds of dispositions of the DIEP (enter amount from column 8 that relates to the DIEP reported in column 4) 234	10 UCC (column 2 **plus** column 3 **plus** or **minus** column 5 **minus** column 8) See **note 10**	11 UCC of the DIEP (enter the UCC amount that relates to the DIEP reported in column 4) See **note 11** 236	12 Immediate expensing See **note 12** 238	13 Cost of acquisitions on remainder of Class (column 3 **minus** column 4 **plus** column 11 **minus** column 12)	14 Cost of acquisitions from column 13 that are accelerated investment incentive properties (AIIP) or properties included in Classes 54 to 56 See **note 13** 225	15 Remaining UCC (column 10 **minus** column 12) (if negative, enter "0")	16 Proceeds of disposition available to reduce the UCC of AIIP and property included in Classes 54 to 56 (column 8 **minus** column 9 **plus** column 6 **minus** column 13 **plus** column 14 **minus** column 7) (if negative, enter "0") See **note 14**
9.	95	WIP		6,008,000	2,201,000		2,201,000	2,201,000	6,008,000	
		Totals		60,181,488	3,006,792	805,792	5,691,448	5,691,448	59,375,696	134,000

Part 2 – CCA calculation (continued)

	1 Class number	Description	17 Net capital cost additions of AIIP and property included in Classes 54 to 56 acquired during the year (column 14 **minus** column 16) (if negative, enter "0")	18 UCC adjustment for AIIP and property included in Classes 54 to 56 acquired during the year (column 17 **multiplied** by the relevant factor) See **note 15**	19 UCC adjustment for property acquired during the year other than AIIP and property included in Classes 54 to 56 (0.5 **multiplied** by the result of column 13 **minus** column 14 **minus** column 6 **plus** column 7 **minus** column 8 **plus** column 9) (if negative, enter "0") See **note 16** 224	20 CCA rate % See **note 17** 212	21 Recapture of CCA See **note 18** 213	22 Terminal loss See **note 19** 215	23 CCA (for declining balance method, the result of column 15 **plus** column 18 **minus** column 19, **multiplied** by column 20, or a lower amount, **plus** column 12) See **note 20** 217	24 UCC at the end of the year (column 10 **minus** column 23) 220
1.	1	Buildings				4	0	0	751,005	18,024,111
2.	8	Equipment and tools				20	0	0	554,572	813,973
3.	10	Rolling stock and vehicles				30	0	0	108,129	138,096
4.	45	Computer equipment and software				45	0	0	6	8
5.	47	Electrical energy distribution	3,212,593	1,606,297		8	0	0	2,745,232	29,963,873
6.	50	Computer equipment				55	0	0	452,580	38,300
7.	14.1					5	0	0	10,637	141,321
8.	1b	Building	143,855	71,928		6	0	0	30,214	401,431
9.	95	WIP	2,201,000	1,100,500		0	0	0		6,008,000
		Totals	5,557,448	2,778,725					4,652,375	55,529,113

Enter the total of column 21 on line 107 of Schedule 1.
Enter the total of column 22 on line 404 of Schedule 1.
Enter the total of column 23 on line 403 of Schedule 1.

Note 3: If a class number has not been provided in Schedule II of the Income Tax Regulations for a particular class of property, use the subsection provided in Regulation 1101.

Note 4: Include any property acquired in previous years that has now become available for use, net of any government assistance received or entitled to be received in the year from a government, municipality or other public authority, or a reduction of capital cost after the application of section 80. This property would have been previously excluded from column 3. List separately any acquisitions of property in the class that are not subject to the 50% rule. See Income Tax Folio S3-F4-C1, General Discussion of Capital Cost Allowance, for exceptions to the 50% rule.

Note 5: A DIEP reported in column 4 is a property acquired after April 18, 2021, by a corporation that was a Canadian-controlled private corporation (CCPC) throughout the year, which became available for use in the tax year (before 2024) and was designated as such on or before the day that is 12 months after the filing-due date for the tax year to which the designation relates. It includes all capital property subject to the CCA rules, if certain conditions are met, other than property included in Classes 1 to 6, 14.1, 17, 47, 49, and 51. A property can only qualify as DIEP in the year in which it becomes available for use. See subsection 1104(3.1) of the Regulations for more information.

Note 6: Enter in column 5, "Adjustments and transfers", amounts that increase or reduce the UCC (column 10). Items that increase the UCC include amounts transferred under section 85, or transferred on amalgamation or winding-up of a subsidiary. Items that reduce the UCC (show amounts that reduce the UCC in brackets) include assistance received or receivable during the year for a property, subsequent to its disposition, if such assistance would have decreased the capital cost of the property by virtue of paragraph 13(7.1)(f). See the T2 Corporation Income Tax Guide for other examples of adjustments and transfers to include in column 5.
Also include property acquired in a non-arm's length transaction (other than by virtue of a right referred to in paragraph 251(5)(b) of the Act) if the property was a depreciable property acquired by the transferor at least 364 days before the end of your tax year and continuously owned by the transferor until it was acquired by you.

Note 7: Include all amounts of assistance you received (or were entitled to receive) after the disposition of a depreciable property that would have decreased the capital cost of the property by virtue of paragraph 13(7.1)(f) if received before the disposition.

Part 2 – CCA calculation (continued)

Note 8: Include all amounts you have repaid during the year for any legally required repayment, made after the disposition of a corresponding property, of:
- assistance that would have otherwise increased the capital cost of the property under paragraph 13(7.1)(d) and
- an inducement, assistance, or any other amount contemplated in paragraph 12(1)(x) received, that otherwise would have increased the capital cost of the property under paragraph 13(7.4)(b)

Include the UCC of each property of a prescribed class acquired in the course of a corporate reorganization described under paragraph 55(3)(b) of the Act (also known as "butterfly reorganization") or include property acquired in a non-arm's length transaction (other than by virtue of a right referred to in paragraph 251(5)(b) of the Act) if the property was a depreciable property acquired by the transferor less than 364 days before the end of your tax year and continuously owned by the transferor until it was acquired by you.

Note 9: For each property disposed of during the year, deduct from the proceeds of disposition any outlays and expenses to the extent that they were made or incurred for the purpose of making the disposition(s). The amount reported in respect of the property cannot exceed the property's capital cost, unless that property is a timber resource property as defined in subsection 13(21).
If the cost of a zero-emission passenger vehicle (or a passenger vehicle that was, at any time, a DIEP) exceeds the prescribed amount, the proceeds of disposition will be adjusted based on a factor equal to the prescribed amount as a proportion of the actual cost of the vehicle.

Note 10: If the amount in column 5 (as shown in brackets) reduces the undepreciated capital cost, you must subtract it for the purposes of the calculation. Otherwise, add the amount in column 5 for the purposes of the calculation.

Note 11: The only amounts incurred before April 19, 2021, to be included in this column are certain inventory purchases from arm's length persons or partnerships where the conditions in paragraphs 1100(0.3)(a) to (c) are met.

Note 12: Immediate expensing applies to a DIEP included in column 11. The total immediate expensing for the tax year (total of column 12) should not exceed the lesser of:

1. Immediate expensing limit: it is equal to one of the following five amounts, whichever is applicable:
- $1.5 million, if you are not associated with any other EPOP in the tax year
- amount from line 125, if you are associated in the tax year with one or more EPOPs
- nil, if the total of the percentages assigned in Part 1 is more than 100% or you are associated in the tax year with one or more EPOPs and have not filed an agreement in prescribed form as required under subsection 1104(3.3) of the Regulations
- the amount determined under subsection 1104(3.5) of the Regulations for any second or subsequent tax years ending in a calendar year, if you have two or more tax years ending in the calendar year in which you are associated with another EPOP that has a tax year ending in that calendar year
- any amount allocated by the minister under subsection 1104(3.4) of the Regulations

The immediate expensing limit has to be prorated if your tax year is less than 365 days. You cannot carry forward any unused amount of the immediate expensing limit.

2. UCC of the DIEP: total of column 11

You have to maintain the CCPC status throughout the relevant tax year in order to claim the immediate expensing.

Note 13: An AIIP is a property (other than property included in Classes 54 to 56) that you acquired after November 20, 2018, and that became available for use before 2028.
Classes 54 and 55 include zero-emission vehicles that you acquired after March 18, 2019, and that became available for use before 2028.
Class 56 applies to eligible zero-emission automotive equipment and vehicles (other than motor vehicles) that are acquired after March 1, 2020, and that became available for use before 2028.
See the T2 Corporation Income Tax Guide for more information.

Note 14: Include only elements from columns 6 and 7 that are not related to the DIEP.

Note 15: The relevant factors for property of a class in Schedule II, that is an AIIP or included in Classes 54 to 56, available for use before 2024 are:
- 2 1/3 for property in Classes 43.1, 54, and 56
- 1 1/2 for property in Class 55
- 1 for property in Classes 43.2 and 53
- 0 for property in Classes 12, 13, 14, and 15, as well as properties that are Canadian vessels included in paragraph 1100(1)(v) of the Regulations (see note 20 for additional information) and
- 0.5 for all other property that is an AIIP

Part 2 – CCA calculation (continued)

Note 16: The UCC adjustment for property acquired during the year (formerly known as the half-year rule or 50% rule) does not apply to certain property (including AIIP, property included in Classes 54 to 56, and property to which the immediate expensing was applied). Include only elements from columns 6 and 7 that are not related to the DIEP.
For special rules and exceptions, see Income Tax Folio S3-F4-C1, General Discussion of Capital Cost Allowance.

Note 17: Enter a rate only if you are using the declining balance method. For any other method (for example, the straight-line method, where calculations are always based on the cost of acquisitions), enter N/A. Then enter the amount you are claiming in column 23.

Note 18: If the amount in column 10 is negative, you have a recapture of CCA. If applicable, enter the negative amount from column 10 in column 21 as a positive. The recapture rules do not apply to passenger vehicles in Class 10.1. However, they do apply to a passenger vehicle that was, at any time, a DIEP.

Note 19: If no property is left in the class at the end of the tax year and there is still a positive amount in the column 10, you have a terminal loss. If applicable, enter the positive amount from column 10 in column 22. The terminal loss rules do not apply to:
- passenger vehicles in Class 10.1
- property in Class 14.1, unless you have ceased carrying on the business to which it relates
- limited-period franchises, concessions, or licences in Class 14 if, at the time of acquisition, the property was a former property of the transferor or any similar property attributable to the same fixed place of business, and you had jointly elected with the transferor to have the replacement property rules apply, unless certain conditions are met

Note 20: If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See the T2 Corporation Income Tax Guide for more information. For property in class 10.1 disposed of during the year, deduct a maximum of 50% of the regular CCA deduction if you owned the property at the beginning of the tax year. For AIIP listed below, the maximum first year allowance you can claim is determined as follows:
- Class 13: the lesser of 150% of the amount calculated in Schedule III of the Regulations and the UCC at the end of the tax year (before any CCA deduction)
- Class 14: the lesser of 150% of the allocation for the year of the capital cost of the property apportioned over the remaining life of the property (at the time the cost was incurred) and the UCC at the end of the tax year (before any CCA deduction)
- Class 15: the lesser of 150% of an amount computed on the basis of a rate per cord, board foot, or cubic metre cut in the tax year and the UCC at the end of the tax year (before any CCA deduction)
- Canadian vessels described under paragraph 1100(1)(v) of the Regulations: the lesser of 50% of the capital cost of the property and the UCC at the end of the tax year (before any CCA deduction)
- Class 41.2: use a 25% CCA rate. The additional allowance under paragraphs 1100(1)(y.2) (for single mine properties) and 1100(1)(ya.2) (for multiple mine properties) of the Regulations is not eligible for the accelerated investment incentive. The additional allowance in respect of natural gas liquefaction under paragraph 1100(1)(yb) of the Regulations is eligible for the accelerated investment incentive

The AIIP also apply to property (other than a timber resource property) that is a timber limit or a right to cut timber from a limit as well as to industrial mineral mine or a right to remove minerals from an industrial mineral mine. See the Income Tax Regulations for more detail.

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SCHEDULE 9

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
InnPower Corporation	89242 2817 RC0001	2022-12-31

- Complete this schedule if the corporation is related to or associated with at least one other corporation.
- For more information, see the *T2 Corporation Income Tax Guide*.

	Name	Country of residence (other than Canada)	Business number (see note 1)	Relationship code (see note 2)	Number of common shares you own	% of common shares you own	Number of preferred shares you own	% of preferred shares you own	Book value of capital stock
	100	200	300	400	500	550	600	650	700
1.	Innservices Utilities Inc.		81689 7326 RC0001	3					
2.	Town of Innisfil		NR	1					
3.	Innterprises Inc.		86556 4595 RC0001	3					

Note 1: Enter "NR" if the corporation is not registered or does not have a business number.
Note 2: Enter the code number of the relationship that applies from the following order: 1 - Parent 2 - Subsidiary 3 - Associated 4 - Related but not associated

T2 SCH 9 (11)

Canada

Continuity of financial statement reserves (not deductible)

Financial statement reserves (not deductible)

	Description	Balance at the beginning of the year	Transfer on an amalgamation or the wind-up of a subsidiary	Add	Deduct	Balance at the end of the year
1	Post retirement benefits	162,065		142,732	162,065	142,732
2						
	Reserves from Part 2 of Schedule 13					
	Totals	162,065		142,732	162,065	142,732

The total opening balance plus the total transfers should be entered on line 414 of Schedule 1 as a deduction.
The total closing balance should be entered on line 126 of Schedule 1 as an addition.

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Schedule 23

Agreement Among Associated Canadian-Controlled Private Corporations to Allocate the Business Limit

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

Column 1: Enter the legal name of each of the corporations in the associated group, including those deemed to be associated under subsection 256(2) of the Income Tax Act.

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

Column 3: Enter the association code from the list below 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** as referred to in subsection 256(2) and has filed Schedule 28, Election not to be Associated Through a Third Corporation
3 – Non-CCPC that is a **third corporation**
4 – Associated non-CCPC
5 – Associated CCPC to which association code 1 does not apply because a **third corporation** has filed Schedule 28

Column 4: Enter the business limit for the year of each corporation in the associated group. Enter "0" if the corporation has association code 2, 3 or 4 in column 3 (except if the corporation is a cooperative or a credit union eligible for the SBD and it has association code 4).

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

Column 6: Enter the business limit allocated to each corporation by multiplying the amount in column 4 by the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A.

Ensure that the total at line A does not exceed $500,000.

Allocating the business limit

Date filed (do not use this area) . . . . . **025** Year Month Day

Enter the calendar year the agreement applies to . . . . . **050** Year 2022

Is this an amended agreement for the above calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? . . . . . **075** [ ] Yes [X] No

	1 Name of associated corporations **100**	2 Business number of associated corporations **200**	3 Association code **300**	4 Business limit for the year before the allocation $	5 Percentage of the business limit % **350**	6 Business limit allocated* $ **400**	
1	InnPower Corporation	89242 2817 RC0001	1	500,000	100.0000	500,000	
2	Innservices Utilities Inc.	81689 7326 RC0001	1	500,000			
3	Town of Innisfil	NR	1	500,000			
4	Innterprises Inc.	86556 4595 RC0001	1	500,000			
				Total	100.0000	500,000	A

Business limit reduction under subsection 125(5.1) of the Act

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the factors used in this calculation is the "large corporation amount" at line 415 of the T2 return. The amount at line 415 is determined using the formula 0.225% x (C - $10,000,000). Another factor is the "adjusted aggregate investment income" from lines 744 and 745 of Schedule 7, Aggregate Investment Income and Income Eligible for the Small Business Deduction. Details of these formulas and variable C are in subsection 125(5.1) of the Act.

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

Special rules for business limit

Special rules apply under subsection 125(5) if a CCPC has more than one tax year ending in the same calendar year and it is associated in more than one of those tax years with another CCPC that has a tax year ending in that calendar year. The business limit for the second or later tax year will be equal to the lesser of: the business limit determined for the first tax year ending in the calendar year or the business limit determined for the second or later tax year ending in the same calendar year.

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Schedule 33

Taxable Capital Employed in Canada – Large Corporations

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2022-12-31

- Use this schedule in determining if the total taxable capital employed in Canada of the corporation (other than a financial institution or an insurance corporation) and its related corporations is greater than $10,000,000.
- If the total taxable capital employed in Canada of the corporation and its related corporations is greater than $10,000,000, file a completed Schedule 33 with your T2 *Corporation Income Tax Return* no later than six months from the end of the tax year.
- Unless otherwise noted, all legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 181(1) defines the terms **financial institution**, **long-term debt**, and **reserves**.
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part I.3 for its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or for a partnership in which it has an interest.
- If the corporation was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 4, **Taxable capital employed in Canada**.

Part 1 – Capital

Add the following year-end amounts:

Reserves that have not been deducted in calculating income for the year under Part I	101	142,732	
Capital stock (or members' contributions if incorporated without share capital)	103	10,852,000	
Retained earnings	104	20,375,000	
Contributed surplus	105	1,600,000	
Any other surpluses	106		
Deferred unrealized foreign exchange gains	107		
All loans and advances to the corporation	108	1,061,000	
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109		
Any dividends declared but not paid by the corporation before the end of the year	110		
All other indebtedness of the corporation (other than any indebtedness for a lease) that has been outstanding for more than 365 days before the end of the year	111		
The total of all amounts, each of which is the amount, if any, in respect of a partnership in which the corporation held a membership interest at the end of the year, either directly or indirectly through another partnership (see note below)	112		
Subtotal (**add** lines 101 to 112)		34,030,732 ►	34,030,732 A

Note:

Line 112 is determined by the formula (A – B) x C/D (as per paragraph 181.2(3)(g)) where:

A is the total of all amounts that would be determined for lines 101, 107, 108, 109, and 111 in respect of the partnership for its last fiscal period that ends at or before the end of the year if
  a) those lines applied to partnerships in the same manner that they apply to corporations, and
  b) those amounts were computed without reference to amounts owing by the partnership
    (i) to any corporation that held a membership interest in the partnership either directly or indirectly through another partnership, or
    (ii) to any partnership in which a corporation described in subparagraph (i) held a membership interest either directly or indirectly through another partnership.

B is the partnership's deferred unrealized foreign exchange losses at the end of the period,

C is the share of the partnership's income or loss for the period to which the corporation is entitled either directly or indirectly through another partnership, and

D is the partnership's income or loss for the period.

Part 1 – Capital (continued)

Subtotal A (from page 1)			34,030,732	A
Deduct the following amounts:				
Deferred tax debit balance at the end of the year	121			
Any deficit deducted in calculating its shareholders' equity (including, for this purpose, the amount of any provision for the redemption of preferred shares) at the end of the year	122			
To the extent that the amount may reasonably be regarded as being included in any of lines 101 to 112 above for the year, any amount deducted under subsection 135(1) in calculating income under Part I for the year.	123			
Deferred unrealized foreign exchange losses at the end of the year	124			
Subtotal (**add** lines 121 to 124)		►		B
Capital for the year (amount A **minus** amount B) (if negative, enter "0")	190		34,030,732	

Part 2 – Investment allowance

Add the carrying value at the end of the year of the following assets of the corporation:

A share of another corporation	401	
A loan or advance to another corporation (other than a financial institution)	402	3,772,000
A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution)	403	
Long-term debt of a financial institution	404	
A dividend payable on a share of the capital stock of another corporation	405	
A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim or similar obligation of, a partnership each member of which was, throughout the year, another corporation (other than a financial institution) that was not exempt from tax under this Part (otherwise than because of paragraph 181.1(3)(d)), or another partnership described in paragraph 181.2(4)(d.1)	406	
An interest in a partnership (see note 2 below)	407	
Investment allowance for the year (add lines 401 to 407)	490	3,772,000

Notes:

1. Lines 401 to 405 should not include the carrying value of a share of the capital stock of, a dividend payable by, or indebtedness of a corporation that is exempt from tax under Part I.3 (other than a non-resident corporation that at no time in the year carried on business in Canada through a permanent establishment).
2. Where the corporation has an interest in a partnership held either directly or indirectly through another partnership, refer to subsection 181.2(5) for additional rules regarding the carrying value of an interest in a partnership.
3. Where a trust is used as a conduit for loaning money from a corporation to another related corporation (other than a financial institution), the loan will be considered to have been made directly from the lending corporation to the borrowing corporation. Refer to subsection 181.2(6) for special rules that may apply.

Part 3 – Taxable capital

Capital for the year (line 190)		34,030,732	C
Deduct: Investment allowance for the year (line 490)		3,772,000	D
Taxable capital for the year (amount C **minus** amount D) (if negative, enter "0")	500	30,258,732	

Part 4 – Taxable capital employed in Canada

To be completed by a corporation that was resident in Canada at any time in the year

Taxable capital for the year (line 500) 30,258,732 x (Taxable income earned in Canada **610** 1,000 / Taxable income 1,000) = **Taxable capital employed in Canada** **690** 30,258,732

Notes:
1. Regulation 8601 gives details on calculating the amount of taxable income earned in Canada.
2. Where a corporation's taxable income for a tax year is "0," it shall, for the purposes of the above calculation, be deemed to have a taxable income for that year of $1,000.
3. In the case of an airline corporation, Regulation 8601 should be considered when completing the above calculation.

To be completed by a corporation that was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada

Total of all amounts each of which is the carrying value at the end of the year of an asset of the corporation used in the year or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada . . **701** ______

Deduct the following amounts:

Corporation's indebtedness at the end of the year [other than indebtedness described in any of paragraphs 181.2(3)(c) to (f)] that may reasonably be regarded as relating to a business it carried on during the year through a permanent establishment in Canada . . . . **711** ______

Total of all amounts each of which is the carrying value at the end of year of an asset described in subsection 181.2(4) of the corporation that it used in the year, or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada . . . . **712** ______

Total of all amounts each of which is the carrying value at the end of year of an asset of the corporation that is a ship or aircraft the corporation operated in international traffic, or personal or movable property used or held by the corporation in carrying on any business during the year through a permanent establishment in Canada (see note below) . . . . **713** ______

Total deductions (**add** lines 711, 712, and 713) ______ ► ______ E

Taxable capital employed in Canada (line 701 **minus** amount E) (if negative, enter "0") . . . . **790** ______

Note: Complete line 713 only if the country in which the corporation is resident did not impose a capital tax for the year on similar assets, or a tax for the year on the income from the operation of a ship or aircraft in international traffic, of any corporation resident in Canada during the year.

Part 5 – Calculation for purposes of the small business deduction

This part is applicable to corporations that are not associated in the current year, but were associated in the prior year.

Taxable capital employed in Canada (amount from line 690) . . . . ______ F

Deduct: . . . . 10,000,000 G

Excess (amount F **minus** amount G) (if negative, enter "0") ______ H

Calculation for purposes of the small business deduction (amount H x 0.225%) . . . . ______ I

Enter this amount at line 415 of the T2 return.

Attached Schedule with Total

Part 1 – All loans and advances to the corporation

Title Part 1 – All loans and advances to the corporation

Explanatory note
Per note 19 of WP "FS 22"

Description	Operator (Note)	Amount
Town of Innisfil - receivable		347,000 00
InnServices Utilities Inc. - receivable	+	260,000 00
Innterprises Inc. - receivable	+	454,000 00
	+	
	Total	1,061,000 00

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula 1+2*3 will not result in the same thing as the formula 1+3*2.

Attached Schedule with Total

Part 2 – A loan or advance to another corporation (other than a financial institution)

Title Part 2 – A loan or advance to another corporation (other than a financial inst

Explanatory note

Per note 19 of Wp "FS 22"

Description	Operator (Note)	Amount
InnServices Utilities Inc. - payable		3,772,000 00
Innterprises Inc. - payable	+	
InnServices Utilities Inc. - receivable (negative balance)	+	
	+	
	Total	3,772,000 00

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula 1+2*3 will not result in the same thing as the formula 1+3*2.

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Schedule 50

Shareholder Information

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2022-12-31

- All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.
- Provide only one number (business number, partnership account number, social insurance number or trust number) per shareholder.

	Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust) 100	Business number or partnership account number (9 digits, 2 letters, and 4 digits. If not registered, enter "**NR**") 200	Social insurance number (9 digits) 300	Trust number (T followed by 8 digits) 350	Percentage common shares 400	Percentage preferred shares 500
1	Town of Innisfil	121947188RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

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Schedule 53

General Rate Income Pool (GRIP) Calculation

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2022-12-31

On: 2022-12-31

- If you are a Canadian-controlled private corporation (CCPC) or a deposit insurance corporation (DIC), use this schedule to determine the general rate income pool (GRIP).
- Credit unions are **not** required to complete this schedule.
- All legislative references are to the federal Income Tax Act and Income Tax Regulations.
- When an eligible dividend was paid in the tax year or there was a change in the GRIP balance, file a completed copy of this schedule with your T2 Corporation Income Tax Return. Do not send your worksheets with your return, but keep them in your records in case we ask to see them later.
- Subsection 89(1) defines the terms **eligible dividend**, **excessive eligible dividend designation**, **general rate income pool**, and **low rate income pool**.

Eligibility for the various additions

Answer the following questions to determine the corporation's eligibility for the various additions:

2006 addition

1. Is this the corporation's first taxation year that includes January 1, 2006? ☐ Yes ☒ No
2. If not, what is the date of the taxation year end of the corporation's first year that includes January 1, 2006? Enter the date and go directly to question 4 — 2006-12-31
3. During that first year, was the corporation a CCPC or would it have been a CCPC if not for the election of subsection 89(11) ITA? ☐ Yes ☐ No
   If the answer to question 3 is yes, complete Part "GRIP addition for 2006".

Change in the type of corporation

4. Was the corporation a CCPC during its preceding taxation year? ☒ Yes ☐ No
5. Corporations that become a CCPC or a DIC ☐ Yes ☒ No
   If the answer to question 5 is yes, complete Part 4.

Amalgamation (first year of filing after amalgamation)

6. Corporations that were formed as a result of an amalgamation ☐ Yes ☒ No
   If the answer to question 6 is yes, answer questions 7 and 8. If the answer is no, go to question 9.
7. Was one or more of the predecessor corporations neither a CCPC nor a DIC? ☐ Yes ☐ No
   If the answer to question 7 is yes, complete Part 4.
8. Was one or more of the predecessor corporation a CCPC or a DIC during the taxation year that ended immediately before amalgamation? ☐ Yes ☐ No
   If the answer to question 8 is yes, complete Part 3.

Winding-up

9. Has the corporation wound-up a subsidiary in the preceding taxation year? ☐ Yes ☒ No
   If the answer to question 9 is yes, answer questions 10 and 11. If the answer is no, go to Part 1.
10. Was the subsidiary neither a CCPC nor a DIC during its last taxation year? ☐ Yes ☐ No
    If the answer to question 10 is yes, complete Part 4.
11. Was the subsidiary a CCPC or a DIC during its last taxation year? ☐ Yes ☐ No
    If the answer to question 11 is yes, complete Part 3.

Part 1 – General rate income pool (GRIP)

GRIP at the end of the previous tax year		**100**	1,917,567
Taxable income for the year (DICs enter "0")*	**110**		
Amount on line 400, 405, 410, or 428 of the T2 return, whichever is the least* **130**			
For a CCPC, the lesser of aggregate investment income (line 440 of the T2 return) and taxable income* **140**			
Subtotal (line 130 **plus** line 140) ►	A		
Income taxable at the general corporate rate (line 110 **minus** amount A) (if negative enter "0")	**150**		
After-tax income (line 150 **multiplied** by 0.72 (the general rate factor for the tax year))		**190**	
Eligible dividends received in the tax year	**200**		
Dividends deductible under section 113 received in the tax year	**210**		
Subtotal (line 200 **plus** line 210) ►			B
Becoming a CCPC (amount W5 in Part 4)	**220**		
Post-amalgamation (total of amount E4 in Part 3 and amount W5 in Part 4)	**230**		
Post-wind-up (total of amount E4 in Part 3 and amount W5 in Part 4)	**240**		
Subtotal (**add** lines 220, 230, and 240) ►	**290**		
Subtotal (**add** lines 100, 190, 290, and amount B)			1,917,567 C
Eligible dividends paid in the previous tax year	**300**		
Excessive eligible dividend designations made in the previous tax year	**310**		
(If becoming a CCPC (subsection 89(4) applies), enter "0" on lines 300 and 310.)			
Subtotal (line 300 **minus** line 310) ►			D
GRIP before adjustment for specified future tax consequences (amount C **minus** amount D) (amount can be negative)		**490**	1,917,567
Total GRIP adjustment for specified future tax consequences to previous tax years (amount L3 in Part 2)		**560**	
GRIP at the end of the tax year (line 490 **minus** line 560)		**590**	1,917,567

Enter this amount on line 160 of Schedule 55, Part III.1 Tax on Excessive Eligible Dividend Designations.

* For lines 110, 130, and 140, the income amount is the amount before considering specified future tax consequences. This phrase is defined in subsection 248(1). It includes the deduction of a loss carryback from subsequent tax years, a reduction of Canadian exploration expenses and Canadian development expenses that were renounced in subsequent tax years (for example, flow-through share renunciations), reversals of income inclusions where an option is exercised in subsequent tax years, and the effect of certain foreign tax credit adjustments.

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years

Complete this part if the corporation's taxable income of any of the previous three tax years took into account the specified future tax consequences defined in subsection 248(1) from the current tax year. Otherwise, enter "0" on line 560.

First previous tax year 2021-12-31

Taxable income before specified future tax consequences from the current tax year 687,741 A1

Enter the following amounts before specified future tax consequences from the current tax year:

Amount on line 400, 405, 410, or 428 of the T2 return, whichever is the least . . . . ________ B1

Aggregate investment income (line 440 of the T2 return) . . . . ________ C1

Subtotal (amount B1 **plus** amount C1) ________ ▶ ________ D1

Subtotal (amount A1 **minus** amount D1) (if negative, enter "0") 687,741 ▶ 687,741 E1

Future tax consequences that occur for the current year Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	**Capital loss carry-back**	**Restricted farm loss carry-back**	**Farm loss carry-back**	**Other**	**Total carrybacks**

Taxable income after specified future tax consequences . . . . ________ F1

Enter the following amounts after specified future tax consequences:

Amount on line 400, 405, 410, or 428 of the T2 return, whichever is the least . . . . ________ G1

Aggregate investment income (line 440 of the T2 return) . . . . ________ H1

Subtotal (amount G1 **plus** amount H1) ________ ▶ ________ I1

Subtotal (amount F1 **minus** amount I1) (if negative, enter "0") ________ ▶ ________ J1

Subtotal (amount E1 **minus** amount J1) (if negative, enter "0") ________ K1

GRIP adjustment for specified future tax consequences to the first previous tax year
(amount K1 **multiplied** by 0.72) . . . . **500** ________

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years (continued)

Second previous tax year 2020-12-31

Taxable income before specified future tax consequences from the current tax year 1,097,820 A2

Enter the following amounts before specified future tax consequences from the current tax year:

Amount on line 400, 405, 410, or 428 of the T2 return, whichever is the least . . . . ______ B2

Aggregate investment income (line 440 of the T2 return) . . . . ______ C2

Subtotal (amount B2 **plus** amount C2) ______ ▶ ______ D2

Subtotal (amount A2 **minus** amount D2) (if negative, enter "0") 1,097,820 ▶ 1,097,820 E2

Future tax consequences that occur for the current year Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	**Capital loss carry-back**	**Restricted farm loss carry-back**	**Farm loss carry-back**	**Other**	**Total carrybacks**

Taxable income after specified future tax consequences . . . . ______ F2

Enter the following amounts after specified future tax consequences:

Amount on line 400, 405, 410, or 428 of the T2 return, whichever is the least . . . . ______ G2

Aggregate investment income (line 440 of the T2 return) . . . . ______ H2

Subtotal (amount G2 **plus** amount H2) ______ ▶ ______ I2

Subtotal (amount F2 **minus** amount I2) (if negative, enter "0") ______ ▶ ______ J2

Subtotal (amount E2 **minus** amount J2) (if negative, enter "0") ______ K2

GRIP adjustment for specified future tax consequences to the second previous tax year
(amount K2 **multiplied** by 0.72) . . . . **520** ______

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years (continued)

Third previous tax year 2019-12-31

Taxable income before specified future tax consequences from the current tax year 847,979 A3

Enter the following amounts before specified future tax consequences from the current tax year:

Amount on line 400, 405, 410, or 428 of the T2 return, whichever is the least . . . . ________ B3

Aggregate investment income (line 440 of the T2 return) . . . . ________ C3

Subtotal (amount B3 **plus** amount C3) ________ ▶ ________ D3

Subtotal (amount A3 **minus** amount D3) (if negative, enter "0") 847,979 ▶ 847,979 E3

Future tax consequences that occur for the current year Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	**Capital loss carry-back**	**Restricted farm loss carry-back**	**Farm loss carry-back**	**Other**	**Total carrybacks**

Taxable income after specified future tax consequences . . . . ________ F3

Enter the following amounts after specified future tax consequences:

Amount on line 400, 405, 410, or 428 of the T2 return, whichever is the least . . . . ________ G3

Aggregate investment income (line 440 of the T2 return) . . . . ________ H3

Subtotal (amount G3 **plus** amount H3) ________ ▶ ________ I3

Subtotal (amount F3 **minus** amount I3) (if negative, enter "0") ________ ▶ ________ J3

Subtotal (amount E3 **minus** amount J3) (if negative, enter "0") ________ K3

GRIP adjustment for specified future tax consequences to the third previous tax year
(amount K3 **multiplied by** 0.72) . . . . **540** ________

Total GRIP adjustment for specified future tax consequences to previous tax years:
(**add** lines 500, 520, and 540) (if negative, enter "0") . . . . ________ L3

Enter amount L3 on line 560

Part 3 – Worksheet to calculate the GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was a CCPC or a DIC in its last tax year)

nb. 1 Post amalgamation . . . ☐ Post wind-up . . . . . . ☐

Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary corporation was a CCPC or a DIC in its last tax year. The last tax year for a predecessor corporation was its tax year that ended immediately before the amalgamation and for a subsidiary corporation was its tax year during which its assets were distributed to the parent on the wind-up.

Calculate the GRIP addition of a successor corporation following an amalgamation at the end of its first tax year.

Calculate the GRIP addition of a parent corporation upon wind-up at the end of the tax year that ends immediately after the tax year in which the parent has received the assets of the subsidiary.

In the calculation below, **corporation** means a predecessor or a subsidiary. Complete a separate worksheet for **each** predecessor and **each** subsidiary that was a CCPC or a DIC in its last tax year. Keep a copy of this calculation for your records, in case we ask to see it later.

Corporation's GRIP at the end of its last tax year				A4
Eligible dividends paid by the corporation in its last tax year		B4		
Excessive eligible dividend designations made by the corporation in its last tax year		C4		
Subtotal (amount B4 **minus** amount C4)			►	D4
GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was a CCPC or a DIC in its last tax year) (amount A4 **minus** amount D4)				E4

After you complete this calculation for each predecessor and each subsidiary, calculate the total of all the E4 amounts. Enter this total amount on:

- line 230 for post-amalgamation; or
- line 240 for post-wind-up.

Part 4 – Worksheet to calculate the GRIP addition post-amalgamation, post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year), or the corporation is becoming a CCPC

nb. 1 Corporation becoming a CCPC . . . . . ☐ Post amalgamation . . . . ☐ Post wind-up . . . . ☐

Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary was not a CCPC or a DIC in its last tax year. The last tax year for a predecessor corporation was its tax year that ended immediately before the amalgamation and for a subsidiary corporation was its tax year during which its assets were distributed to the parent on the wind-up.

Calculate the GRIP addition of a successor corporation following an amalgamation at the end of its first tax year.

Calculate the GRIP addition of a parent corporation upon wind-up at the end of the tax year that ends immediately after the tax year in which the parent has received the assets of the subsidiary.

In the calculation below, **corporation** means a predecessor or a subsidiary. Complete a separate worksheet for **each** predecessor and **each** subsidiary that was not a CCPC or a DIC in its last year. Keep a copy of this calculation for your records, in case we ask to see it later.

Cost amount to the corporation of all property immediately before the end of its previous/last tax year				A5
The corporation's money on hand immediately before the end of its previous/last tax year				B5
Total of subsection 111(1) losses that would have been deductible in calculating the corporation's taxable income for the previous/last tax year if the corporation had had unlimited income from each business carried on and each property held and had realized an unlimited amount of capital gains for the previous/last tax year:				
Non-capital losses	C5			
Net capital losses	D5			
Farm losses	E5			
Restricted farm losses	F5			
Limited partnership losses	G5			
Subtotal (**add** amounts C5 to G5)	►	H5		
Total of all amounts deducted under subsection 111(1) in calculating the corporation's taxable income for the previous/last tax year:				
Non-capital losses	I5			
Net capital losses	J5			
Farm losses	K5			
Restricted farm losses	L5			
Limited partnership losses	M5			
Subtotal (**add** amounts I5 to M5)	►	N5		
Unused and unexpired losses at the end of the corporation's previous/last tax year (amount H5 **minus** amount N5)			►	O5
Subtotal (**add** amounts A5, B5, and O5)				P5
All the corporation's debts and other obligations to pay that were outstanding immediately before the end of its previous/last tax year		Q5		
Paid-up capital of all the corporation's issued and outstanding shares of capital stock immediately before the end of its previous/last tax year		R5		
All the corporation's reserves deducted in its previous/last tax year		S5		
The corporation's capital dividend account immediately before the end of its previous/last tax year		T5		
The corporation's low rate income pool immediately before the end of its previous/last tax year		U5		
Subtotal (**add** amounts Q5 to U5)			►	V5
GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year), or the corporation is becoming a CCPC (amount P5 **minus** amount V5) (if negative, enter "0")				W5

After you complete this worksheet for each predecessor and each subsidiary, calculate the total of all the W5 amounts. Enter this total amount on:

- line 220 for a corporation becoming a CCPC;
- line 230 for post-amalgamation; or
- line 240 for post-wind-up.

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Schedule 55

Part III.1 Tax on Excessive Eligible Dividend Designations

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2022-12-31

Do not use this area

- Every corporation resident in Canada that pays a taxable dividend (other than a capital gains dividend within the meaning assigned by subsection 130.1(4) or 131(1)) in the tax year must file this schedule.
- Canadian-controlled private corporations (CCPC) and deposit insurance corporations (DIC) must complete Part 1 of this schedule. All other corporations must complete Part 2.
- Every corporation that has paid an eligible dividend must also file Schedule 53, General Rate Income Pool (GRIP) Calculation, or Schedule 54, Low Rate Income Pool (LRIP) Calculation, whichever is applicable.
- File the schedules with your T2 Corporation Income Tax Return no later than six months from the end of the tax year.
- All legislative references are to the Income Tax Act and the Income Tax Regulations.
- Subsection 89(1) defines the terms **eligible dividend**, **excessive eligible dividend designation**, **general rate income pool**, and **low rate income pool**.
- The calculations in Part 1 and Part 2 do not apply if the excessive eligible dividend designation arises from the application of paragraph (c) of the definition of excessive eligible dividend designation in subsection 89(1). This paragraph applies when an eligible dividend is paid to artificially maintain or increase the GRIP or to artificially maintain or decrease the LRIP.

Part 1 – Canadian-controlled private corporations and deposit insurance corporations

Taxable dividends paid in the tax year **not included** in Schedule 3				
Taxable dividends paid in the tax year **included** in Schedule 3		212,589		
Total taxable dividends paid in the tax year	100	212,589		
Total eligible dividends paid in the tax year			150	
GRIP at the end of the tax year (line 590 on Schedule 53) (if negative, enter "0")			160	1,917,567
Excessive eligible dividend designation (line 150 **minus** line 160)				A
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *			180	
Subtotal (amount A **minus** line 180)				B
Part III.1 tax on excessive eligible dividend designations – CCPC or DIC (amount B **multiplied** by 20 %)			190	

Enter the amount from line 190 on line 710 of the T2 return.

Part 2 – Other corporations

Taxable dividends paid in the tax year **not included** in Schedule 3				
Taxable dividends paid in the tax year **included** in Schedule 3				
Total taxable dividends paid in the tax year	200			
Total excessive eligible dividend designations in the tax year (amount A of Schedule 54)				C
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *			280	
Subtotal (amount C **minus** line 280)				D
Part III.1 tax on excessive eligible dividend designations – Other corporations (amount D **multiplied** by 20 %)			290	

Enter the amount from line 290 on line 710 of the T2 return.

* You can elect to treat all or part of your excessive eligible dividend designation as a separate taxable dividend in order to eliminate or reduce the Part III.1 tax otherwise payable. You must file the election on or before the day that is 90 days **after** the day the notice of assessment for Part III.1 tax was sent. We will accept an election before the assessment of the tax.

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Schedule 510

Ontario Corporate Minimum Tax

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2022-12-31

- File this schedule if the corporation is subject to Ontario corporate minimum tax (CMT). CMT is levied under section 55 of the *Taxation Act, 2007* (Ontario), referred to as the "Ontario Act".
- Complete Part 1 to determine if the corporation is subject to CMT for the tax year.
- A corporation not subject to CMT in the tax year is still required to file this schedule if it is deducting a CMT credit, has a CMT credit carryforward, or has a CMT loss carryforward or a current year CMT loss.
- A corporation that has Ontario special additional tax on life insurance corporations (SAT) payable in the tax year must complete Part 4 of this schedule even if it is not subject to CMT for the tax year.
- A corporation is exempt from CMT if, throughout the tax year, it was one of the following:
  1) a corporation exempt from income tax under section 149 of the federal *Income Tax Act*;
  2) a mortgage investment corporation under subsection 130.1(6) of the federal Act;
  3) a deposit insurance corporation under subsection 137.1(5) of the federal Act;
  4) a congregation or business agency to which section 143 of the federal Act applies;
  5) an investment corporation as referred to in subsection 130(3) of the federal Act; or
  6) a mutual fund corporation under subsection 131(8) of the federal Act.
- File this schedule with the *T2 Corporation Income Tax Return*.

Part 1 – Determination of CMT applicability

Total assets of the corporation at the end of the tax year *	112	146,140,000
Share of total assets from partnership(s) and joint venture(s) *	114	
Total assets of associated corporations (amount from line 450 on Schedule 511)	116	101,237,673
Total assets (total of lines 112 to 116)		247,377,673
Total revenue of the corporation for the tax year **	142	50,589,000
Share of total revenue from partnership(s) and joint venture(s) **	144	
Total revenue of associated corporations (amount from line 550 on Schedule 511)	146	120,623,224
Total revenue (total of lines 142 to 146)		171,212,224

The corporation is subject to CMT if:
– for tax years ending before July 1, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are more than $5,000,000, or the total revenue for the year of the corporation or the associated group of corporations is more than $10,000,000.
– for tax years ending after June 30, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are equal to or more than $50,000,000, and the total revenue for the year of the corporation or the associated group of corporations is equal to or more than $100,000,000.

If the corporation is not subject to CMT, do not complete the remaining parts unless the corporation is deducting a CMT credit, or has a CMT credit carryforward, a CMT loss carryforward, a current year CMT loss, or SAT payable in the year.

* **Rules for total assets**
- Report total assets according to generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- Do not include unrealized gains and losses on assets and foreign currency gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.
- The amount on line 114 is determined at the end of the last fiscal period of the partnership or joint venture that ends in the tax year of the corporation. Add the proportionate share of the assets of the partnership(s) and joint venture(s), and deduct the recorded asset(s) for the investment in partnerships and joint ventures.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were $1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

** **Rules for total revenue**
- Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- If the tax year is less than 51 weeks, **multiply** the total revenue of the corporation or the partnership, whichever applies, by 365 and **divide** by the number of days in the tax year.
- The amount on line 144 is determined for the partnership or joint venture fiscal period that ends in the tax year of the corporation. If the partnership or joint venture has 2 or more fiscal periods ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were $1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

Part 2 – Adjusted net income/loss for CMT purposes

Net income/loss per financial statements *			210	2,702,000
Add (to the extent reflected in income/loss):				
Provision for current income taxes/cost of current income taxes	220			
Provision for deferred income taxes (debits)/cost of future income taxes	222	693,000		
Equity losses from corporations	224			
Financial statement loss from partnerships and joint ventures	226			
Dividends deducted on financial statements (subsection 57(2) of the Ontario Act), excluding dividends paid by credit unions under subsection 137(4.1) of the federal Act	230			
Other additions (see note below):				
Share of adjusted net income of partnerships and joint ventures **	228			
Total patronage dividends received, not already included in net income/loss	232			
281	282			
283	284			
Subtotal		693,000 ▶		693,000 A
Deduct (to the extent reflected in income/loss):				
Provision for recovery of current income taxes/benefit of current income taxes	320	11,000		
Provision for deferred income taxes (credits)/benefit of future income taxes	322			
Equity income from corporations	324			
Financial statement income from partnerships and joint ventures	326			
Dividends deductible under section 112, section 113, or subsection 138(6) of the federal Act	330			
Dividends not taxable under section 83 of the federal Act (from Schedule 3)	332			
Gain on donation of listed security or ecological gift	340			
Accounting gain on transfer of property to a corporation under section 85 or 85.1 of the federal Act ***	342			
Accounting gain on transfer of property to/from a partnership under section 85 or 97 of the federal Act ****	344			
Accounting gain on disposition of property under subsection 13(4), subsection 14(6), or section 44 of the federal Act *****	346			
Accounting gain on a windup under subsection 88(1) of the federal Act or an amalgamation under section 87 of the federal Act	348			
Other deductions (see note below):				
Share of adjusted net loss of partnerships and joint ventures **	328			
Tax payable on dividends under subsection 191.1(1) of the federal Act **multiplied** by 3	334			
Interest deducted/deductible under paragraph 20(1)(c) or (d) of the federal Act, not already included in net income/loss	336			
Patronage dividends paid (from Schedule 16) not already included in net income/loss	338			
381 2022 net movement in reg balances	382	266,000		
383	384			
385	386			
387	388			
389	390			
Subtotal		277,000 ▶		277,000 B
Adjusted net income/loss for CMT purposes (line 210 **plus** amount A **minus** amount B)			490	3,118,000

If the amount on line 490 is positive and the corporation is subject to CMT as determined in Part 1, enter the amount on line 515 in Part 3.

If the amount on line 490 is negative, enter the amount on line 760 in Part 7 (enter as a positive amount).

Note

In accordance with *Ontario Regulation 37/09*, when calculating net income for CMT purposes, accounting income should be adjusted to:

– exclude unrealized gains and losses due to mark-to-market changes or foreign currency changes on specified mark-to-market property (assets only);
– include realized gains and losses on the disposition of specified mark-to-market property not already included in the accounting income, if the property is not a capital property or is a capital property disposed in the year or in a previous tax year ended after March 22, 2007.

"Specified mark-to-market property" is defined in subsection 54(1) of the Ontario Act.

These rules also apply to partnerships. A corporate partner's share of a partnership's adjusted income flows through on a proportionate basis to the corporate partner.

* **Rules for net income/loss**

– Banks must report net income/loss as per the report accepted by the Superintendent of Financial Institutions under the federal *Bank Act*, adjusted so consolidation and equity methods are not used.

Part 2 – Calculation of adjusted net income/loss for CMT purposes (continued)

– Life insurance corporations must report net income/loss as per the report accepted by the federal Superintendent of Financial Institutions or equivalent provincial insurance regulator, before SAT and adjusted so consolidation and equity methods are not used. If the life insurance corporation is resident in Canada and carries on business in and outside of Canada, **multiply** the net income/loss by the ratio of the Canadian reserve liabilities **divided** by the total reserve liability. The reserve liabilities are calculated in accordance with Regulation 2405(3) of the federal Act.

– Other corporations must report net income/loss in accordance with generally accepted accounting principles, except that consolidation and equity methods must not be used. When the equity method has been used for accounting purposes, equity losses and equity income are removed from book income/loss on lines 224 and 324 respectively.

– Corporations, other than insurance corporations, should report net income from line 9999 of the GIFI (Schedule 125) on line 210.

** The share of the adjusted net income of a partnership or joint venture is calculated as if the partnership or joint venture were a corporation and the tax year of the partnership or joint venture were its fiscal period. For a corporation with an indirect interest in a partnership through one or more partnerships, determine the corporation's share according to clause 54(5)(c) of the Ontario Act.

*** A joint election will be considered made under subsection 60(1) of the Ontario Act if there is an entry on line 342, and an election has been made for transfer of property to a corporation under subsection 85(1) of the federal Act.

**** A joint election will be considered made under subsection 60(2) of the Ontario Act if there is an entry on line 344, and an election has been made under subsection 85(2) or 97(2) of the federal Act.

***** A joint election will be considered made under subsection 61(1) of the Ontario Act if there is an entry on line 346, and an election has been made under subsection 13(4) or 14(6) and/or section 44 of the federal Act.

For more information on how to complete this part, see the *T2 Corporation – Income Tax Guide*.

Part 3 – CMT payable

Adjusted net income for CMT purposes (line 490 in Part 2, if positive)		515	3,118,000	
Deduct:				
CMT loss available (amount R from Part 7)				
Minus: Adjustment for an acquisition of control *	518			
Adjusted CMT loss available		▶		C
Net income subject to CMT calculation (if negative, enter "0")		520	3,118,000	

Amount from line 520	3,118,000	x	Number of days in the tax year before July 1, 2010 / Number of days in the tax year	/ 365	x 4 % =		1
Amount from line 520	3,118,000	x	Number of days in the tax year after June 30, 2010 / Number of days in the tax year	365 / 365	x 2.7 % =	84,186	2
			Subtotal (amount 1 **plus** amount 2)			84,186	3

Gross CMT: amount on line 3 above x OAF **	540	84,186	
Deduct:			
Foreign tax credit for CMT purposes ***	550		
CMT after foreign tax credit deduction (line 540 **minus** line 550) (if negative, enter "0")		84,186	D
Deduct:			
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)			
Net CMT payable (if negative, enter "0")			E

Enter amount E on line 278 of Schedule 5, *Tax Calculation Supplementary – Corporations*, and complete Part 4.

* Enter the portion of CMT loss available that exceeds the adjusted net income for the tax year from carrying on a business before the acquisition of control. See subsection 58(3) of the Ontario Act.

*** Enter "0" on line 550 for life insurance corporations as they are not eligible for this deduction. For all other corporations, enter the cumulative total of amount J for the province of Ontario from Part 9 of Schedule 21 on line 550.

** **Calculation of the Ontario allocation factor (OAF):**

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "Ontario," enter "1" on line F.

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "multiple," complete the following calculation, and enter the result on line F:

Ontario taxable income **** / Taxable income ***** =

Ontario allocation factor . . . 1.00000 F

**** Enter the amount allocated to Ontario from column F in Part 1 of Schedule 5. If the taxable income is nil, calculate the amount in column F as if the taxable income were $1,000.

***** Enter the taxable income amount from line 360 or amount Z of the T2 return, whichever applies. If the taxable income is nil, enter "1,000".

Part 4 – Calculation of CMT credit carryforward

CMT credit carryforward at the end of the previous tax year *	12,948	G			
Deduct:					
CMT credit expired * **600**					
CMT credit carryforward at the beginning of the current tax year * (see note below)	12,948	▶	**620**	12,948	
Add:					
CMT credit carryforward balances transferred on an amalgamation or the windup of a subsidiary (see note below)			**650**		
CMT credit available for the tax year (amount on line 620 **plus** amount on line 650)				12,948	H
Deduct:					
CMT credit deducted in the current tax year (amount P from Part 5)					I
Subtotal (amount H **minus** amount I)				12,948	J
Add:					
Net CMT payable (amount E from Part 3)					
SAT payable (amount O from Part 6 of Schedule 512)					
Subtotal		▶			K
CMT credit carryforward at the end of the tax year (amount J **plus** amount K)			**670**	12,948	L

* For the first harmonized T2 return filed with a tax year that includes days in 2009:
- do not enter an amount on line G or line 600;
- for line 620, enter the amount from line 2336 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line G the amount from line 670 of Schedule 510 from the previous tax year.

Note: If you entered an amount on line 620 or line 650, complete Part 6.

Part 5 – Calculation of CMT credit deducted from Ontario corporate income tax payable

CMT credit available for the tax year (amount H from Part 4)					12,948	M
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)				1		
For a corporation that is not a life insurance corporation:						
CMT after foreign tax credit deduction (amount D from Part 3)	84,186	2				
For a life insurance corporation:						
Gross CMT (line 540 from Part 3)		3				
Gross SAT (line 460 from Part 6 of Schedule 512)		4				
The **greater** of amounts 3 and 4		5				
Deduct: line 2 or line 5, whichever applies:			84,186	6		
Subtotal (if negative, enter "0")				▶		N
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)						
Deduct:						
Total refundable tax credits excluding Ontario qualifying environmental trust tax credit (amount J6 **minus** line 450 from Schedule 5)						
Subtotal (if negative, enter "0")				▶		O
CMT credit deducted in the current tax year (least of amounts M, N, and O)						P

Enter amount P on line 418 of Schedule 5 and on line I in Part 4 of this schedule.

Is the corporation claiming a CMT credit earned before an acquisition of control? **675** 1 Yes ☐ 2 No ☒

If you answered **yes** to the question at line 675, the CMT credit deducted in the current tax year may be restricted. For information on how the deduction may be restricted, see subsections 53(6) and (7) of the Ontario Act.

Part 6 – Analysis of CMT credit available for carryforward by year of origin

Complete this part if:
- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	CMT credit balance *
10th previous tax year	680
9th previous tax year	681
8th previous tax year	682
7th previous tax year	683
6th previous tax year	684
5th previous tax year	685
4th previous tax year	686
3rd previous tax year	687
2nd previous tax year	688
1st previous tax year	689
Total **	

* CMT credit that was earned (by the corporation, predecessors of the corporation, and subsidiaries wound up into the corporation) in each of the previous 10 tax years and has not been deducted.

** Must equal the total of the amounts entered on lines 620 and 650 in Part 4.

Part 7 – Calculation of CMT loss carryforward

CMT loss carryforward at the end of the previous tax year * . . . . ______ Q

Deduct:

CMT loss expired * . . . . 700 ______

CMT loss carryforward at the beginning of the tax year * (see note below) . . . . ______ ► 720 ______

Add:

CMT loss transferred on an amalgamation under section 87 of the federal Act ** (see note below) . . . . 750 ______

CMT loss available (line 720 **plus** line 750) . . . . ______ R

Deduct:

CMT loss deducted against adjusted net income for the tax year (lesser of line 490 (if positive) and line C in Part 3) . . . . ______

Subtotal (if negative, enter "0") ______ S

Add:

Adjusted net loss for CMT purposes (amount from line 490 in Part 2, if **negative**) (enter as a positive amount) . . . . 760 ______

CMT loss carryforward balance at the end of the tax year (amount S **plus** line 760) . . . . 770 ______ T

* For the first harmonized T2 return filed with a tax year that includes days in 2009:
- do not enter an amount on line Q or line 700;
- for line 720, enter the amount from line 2214 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line Q the amount from line 770 of Schedule 510 from the previous tax year.

** Do not include an amount from a predecessor corporation if it was controlled at any time before the amalgamation by any of the other predecessor corporations.

Note: If you entered an amount on line 720 or line 750, complete Part 8.

Part 8 – Analysis of CMT loss available for carryforward by year of origin

Complete this part if:
- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	Balance earned in a tax year ending before March 23, 2007 *	Balance earned in a tax year ending after March 22, 2007 **
10th previous tax year	810	820
9th previous tax year	811	821
8th previous tax year	812	822
7th previous tax year	813	823
6th previous tax year	814	824
5th previous tax year	815	825
4th previous tax year	816	826
3rd previous tax year	817	827
2nd previous tax year	818	828
1st previous tax year		829
Total ***		

* Adjusted net loss for CMT purposes that was earned (by the corporation, by subsidiaries wound up into or amalgamated with the corporation before March 22, 2007, and by other predecessors of the corporation) in each of the previous 10 tax years that ended before March 23, 2007, and has not been deducted.

** Adjusted net loss for CMT purposes that was earned (by the corporation and its predecessors, but not by a subsidiary predecessor) in each of the previous 20 tax years that ended after March 22, 2007, and has not been deducted.

*** The total of these two columns must equal the total of the amounts entered on lines 720 and 750.

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SCHEDULE 511

ONTARIO CORPORATE MINIMUM TAX – TOTAL ASSETS AND REVENUE FOR ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2022-12-31

- For use by corporations to report the total assets and total revenue of all the Canadian or foreign corporations with which the filing corporation was associated at any time during the tax year. These amounts are required to determine if the filing corporation is subject to corporate minimum tax.
- Total assets and total revenue include the associated corporation's share of any partnership(s)/joint venture(s) total assets and total revenue.
- Attach additional schedules if more space is required.
- File this schedule with the *T2 Corporation Income Tax Return*.

	Names of associated corporations 200	Business number (Canadian corporation only) (see Note 1) 300	Total assets* (see Note 2) 400	Total revenue** (see Note 2) 500
1	Innservices Utilities Inc.	81689 7326 RC0001	49,506,000	20,283,000
2	Town of Innisfil	NR	50,000,000	100,000,000
3	Innterprises Inc.	86556 4595 RC0001	1,731,673	340,224
		Total	450 101,237,673	550 120,623,224

Enter the total assets from line 450 on line 116 in Part 1 of Schedule 510, *Ontario Corporate Minimum Tax*.
Enter the total revenue from line 550 on line 146 in Part 1 of Schedule 510.

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

Note 2: If the associated corporation does not have a tax year that ends in the filing corporation's current tax year but was associated with the filing corporation in the previous tax year of the filing corporation, enter the total revenue and total assets from the tax year of the associated corporation that ends in the previous tax year of the filing corporation.

* **Rules for total assets**

– Report total assets in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
– Include the associated corporation's share of the total assets of partnership(s) and joint venture(s) but exclude the recorded asset(s) for the investment in partnerships and joint ventures.
– Exclude unrealized gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.

** **Rules for total revenue**

– Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
– If the associated corporation has 2 or more tax years ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of those tax years by 365 and **divide** by the total number of days in all of those tax years.
– If the associated corporation's tax year is less than 51 weeks and is the only tax year of the associated corporation that ends in the filing corporation's tax year, **multiply** the associated corporation's total revenue by 365 and **divide** by the number of days in the associated corporation's tax year.
– Include the associated corporation's share of the total revenue of partnerships and joint ventures.
– If the partnership or joint venture has 2 or more fiscal periods ending in the associated corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.

T2 SCH 511 Canada

Appendix 6-2-1 (G) 2024 OEB Income Tax / PILs Workform

InnPower Corporation has filed the 2024 OEB Income Tax / PILs Workform separately in Excel as Exhibit 6, Appendix 6-2-1 (G): 2024 OEB Income Tax / PILs Workform.

Appendix 6-3-1 (A) Chapter 2 Appendices 2-H Other Operating Revenue

File Number:	EB-2023-0033
Exhibit:	6
Tab:	3
Schedule:	1
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Date:	5/12/23

TO BE UPDATED AT THE DRAFT RATE ORDER STAGE

Appendix 2-H
Other Operating Revenue

USoA #	USoA Description	2017 Actual[2]	2018 Actual[2]	2019 Actual[2]	2020 Actual[2]	2021 Actual[2]	2022 Actual	Bridge Year	Test Year
		2017	2018	2019	2020	2021	2022	2023	2024
	Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
4082	Retail Services Revenues	-$ 10,932	-$ 11,568	-$ 14,909	-$ 15,344	-$ 16,757	-$ 14,768	-$ 13,902	-$ 14,180
4084	Service Transaction Requests (STR) Revenues	-$ 134	-$ 48	$ -	$ -	$ -	$ -	$ -	$ -
4086	SSS Administration Revenue	$ -	$ -	$ -	$ -	$ -	-$ 64,524	-$ 76,328	-$ 79,906
4210	Rent from Electric Property	-$ 166,019	-$ 234,376	-$ 322,911	-$ 283,788	-$ 284,657	-$ 283,002	-$ 297,670	-$ 297,670
4225	Late Payment Charges	-$ 106,918	-$ 105,419	-$ 89,306	-$ 117,181	-$ 97,512	-$ 113,621	-$ 139,200	-$ 139,200
4235	Miscellaneous Service Revenues	-$ 106,848	-$ 161,691	-$ 140,414	-$ 115,277	-$ 163,460	-$ 632,823	-$ 222,713	-$ 258,228
4245	Deferred Revenue	-$ 419,069	-$ 446,327	-$ 540,494	-$ 742,274	-$ 926,727	-$ 1,115,463	-$ 1,823,643	-$ 2,253,932
4355	Gain on Disposition of Utility and Other Property	$ 48,935	$ 11,424	$ 59,813	$ 6,270	$ 344,711	$ 61,137	$ -	$ -
4375	Revenues from Non Rate-Regulated Utility Operations	-$ 927,387	-$ 1,565,066	-$ 1,217,885	-$ 1,569,564	-$ 1,569,057	-$ 925,764	-$ 2,144,607	-$ 2,308,849
4380	Expenses of Non Rate-Regulated Utility Operations	$ 1,171,945	$ 1,226,993	$ 985,242	$ 1,266,622	$ 1,026,780	$ 893,437	$ 1,554,162	$ 1,640,262
4385	Non Rate-Regulated Utility Rental Income	$ -	$ -	$ -	-$ 106,843	-$ 112,612	-$ 139,658	-$ 113,921	-$ 115,200
4390	Miscellaneous Non-Operating Income	-$ 99,702	-$ 148,027	-$ 157,735	-$ 22,912	-$ 35,654	-$ 9,322	-$ 24,000	-$ 24,000
4405	Interest and Dividend Income	-$ 40,535	-$ 606,205	-$ 817,671	-$ 96,645	-$ 54,251	-$ 238,311	-$ 86,580	-$ 86,580
Miscellaneous Service Revenues		-$ 106,848	-$ 161,691	-$ 140,414	-$ 115,277	-$ 163,460	-$ 632,823	-$ 222,713	-$ 258,228
Late Payment Charges		-$ 106,918	-$ 105,419	-$ 89,306	-$ 117,181	-$ 97,512	-$ 113,621	-$ 139,200	-$ 139,200
Other Operating Revenues		-$ 596,154	-$ 692,319	-$ 878,314	-$ 1,041,406	-$ 1,228,141	-$ 1,477,758	-$ 2,211,543	-$ 2,645,688
Other Income or Deductions		$ 153,256	-$ 1,080,881	-$ 1,148,235	-$ 523,071	-$ 400,082	-$ 358,482	-$ 814,945	-$ 894,367
Total		-$ 656,664	-$ 2,040,310	-$ 2,256,270	-$ 1,796,935	-$ 1,889,196	-$ 2,582,683	-$ 3,388,402	-$ 3,937,483