

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 4-STAFF-101

Operating Synergies - Merger

Ref 1: Exhibit 4 / Tab 1/ Schedule1 / p. 2 (PDF p. 2)

Ref 2: Exhibit 1 / Tab 4 / Schedule 1 / pp. 1-9

Elexicon Energy has provided OM&A expenditure by programs from 2020 to 2031.

Please provide a breakdown of operating synergies achieved by OM&A program (as shown in Appendix 2-JC) as a result of the merger.

RESPONSE:

Please refer to the response provided in 1-CCC-5 c).

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 4-STAFF-102

Historical and Test Year FTEs

Ref 1: Exhibit 4 / Tab 2 / Schedule 1 / p. 8 of 45 (PDF p. 330)

Ref 2: Exhibit 4 / Tab 2 / Schedule 1 / p. 8 / Table 1 (PDF p. 330)

Preamble: Elexicon Energy states 54 FTEs added post-merger are due to growth. Table 1 shows an addition of 87 FTE between 2020 and 2025. Elexicon Energy notes that the balance of the FTE level changes is primarily driven by the use of temporary and student roles to support fluctuating volumes of work and co-op students to support administrative work and data analysis.

Question(s):

a) Please provide a table showing all added and projected FTEs from 2020 to 2027 by year of hire, position and OM&A program.

b) Please provide an explanation for each position not included in the 54 positions noted in Ref 1.

1 **RESPONSE:**

2 a) To clarify, at page 8 of Exhibit 4- Tab 2- Schedule 1, 54 positions were added post-merger. In
3 Table 1, below, positions added from 2020 to 2025 are shown by division, and for those roles in
4 Asset Management and Distribution Operations, by departmental view. Elexicon's payroll
5 records and hiring data does not track historical FTE by OM&A segment and program. Positions
6 to be added in 2026 to 2031 are included in the response to 4-Staff-103.

7

8 **Table 1: Regular positions added due to growth/new functions – 2020 to 2025**

9

Business Title	Status	Division/Department	2020	2021	2022	2023	2024	2025
Asset Management and Distribution Operations								
Director, Asset Planning and System Engineering	Regular	Asset Planning and System Engineering					1	
Distribution Engineer	Regular	Asset Planning and System Engineering					1	
Distribution Engineer	Regular	Asset Planning and System Engineering					1	
Asset Management and Planning Technicians	Regular	Asset Planning and System Engineering						2
Supervisor, Distribution System Planning	Regular	Asset Planning and System Engineering			1			
Supervisor, Load Forecasting and Stations Planning	Regular	Asset Planning and System Engineering					1	
Supervisor, Standards and System Studies	Regular	Asset Planning and System Engineering					1	
Supervisor, Locates, Damage Prevention and Inspections	Regular	Locates					1	
Contract Administrator	Regular	Locates						1
Program Analyst	Regular	Locates						1
Powerline Technician	Regular	Distribution Operations		1				
Powerline Technician - Apprentice	Regular	Distribution Operations				1	3	
Program Analyst	Regular	Distribution Operations						1
Manager, Program Delivery Group	Regular	Program Delivery Group				1		
Program Analyst	Regular	Program Delivery Group					1	
Program Management Consultant	Regular	Program Delivery Group					1	
Supervisor, System Control Centre	Regular	System Control Centre						1

Sr. System Operator	Regular	System Control Centre				1		
System Operator - Trainee	Regular	System Control Centre					1	
System Operator - Trainee	Regular	System Control Centre				1		
Emergency Management Specialist	Regular	System Control Centre					1	
Engineering Technician - Project Design	Regular	System Design - Stations					1	
Supervisor, System Design - Stations	Regular	System Design - Stations					1	
Customer Experience								
Key Accounts Specialist	Regular	Customer Care					1	
Manager, Customer Analytics and Operational Reporting	Regular	Customer Care			1			
Manager, Key Accounts	Regular	Customer Care					1	
Systems Analyst	Regular	Customer Care			1			
Settlements Analyst	Regular	Metering / Wholesale Settlements				1		
Meter Serviceperson	Regular	Metering / Wholesale Settlements				2		
Finance								
Accounting Analyst	Regular	Finance				1		
Director, Financial Planning and Analysis	Regular	Finance			1			
Financial Planning and Budgeting Analyst	Regular	Finance					1	
HR and Corporate Services								
Environmental Specialist	Regular	People and Culture			1			
Health & Safety Specialist	Regular	People and Culture					1	
People & Culture Generalist	Regular	People and Culture				1		
Legal and Corporate Secretariat								
Manager, Privacy and Information Management	Regular	Legal				1		
Senior Legal Counsel	Regular	Legal					1	
Regulatory Affairs and Stakeholder Relations								
Manager, Corporate Giving	Regular	Stakeholder Relations				1		
Digital Marketing & Web Development Specialist	Regular	Stakeholder Relations		1				
Manager, Communications, Marketing & Public Affairs	Regular	Stakeholder Relations		1				
Public Affairs, Research and Policy Advisor	Regular	Stakeholder Relations		1				
Social Media and Public Relations Specialist	Regular	Stakeholder Relations				1		

Manager, Regulatory Applications and Accounting	Regular	Regulatory Affairs				1		
Vice President, Regulatory Affairs and Stakeholder Relations	Regular	Regulatory Affairs				1		
Digital and Innovation								
Cyber Security Specialist	Regular	Technology		1				
Grid Advancement Engineer	Regular	Technology		1				
Integration and Database Specialist	Regular	Technology				1		
Manager, Business Transformation	Regular	Technology			1			
Manager, Enterprise Technology	Regular	Technology					1	
Network and Security Analyst	Regular	Technology					1	

1

2

b) The 54 positions (not FTE as stated in the question) added in the period of 2020 and 2025 are included Table 2, provided below. In addition to the 54 positions related to growth and/or new functions, Elexicon relied on temporary positions, such as students and co-ops, to manage fluctuating work volumes, and increase its potential talent pool. Co-op and student positions are essential for handling intermittent work volumes associated with time-bound activities, such as the increase in customer activity following the winter moratorium. Coops and students also assist with data analyst, program and project support, and administrative functions across multiple departments. Temporary positions listed in this table are not cumulative from year to year, and as such, the position is represented by the number of employees fulfilling that temporary position each year (e.g. Elexicon had six Lines Co-ops in 2024).

Table 2, below, also includes regular positions not identified as driven specifically by growth and/or new function. Additional regular positions were associated with core business functions, such as distribution operations field crews.

Table 2: Positions added post-merger (Other) – 2020 to 2025

Asset Management and Distribution Operations		Division	2020	2021	2022	2023	2024	2025
Student / Co-Op	Temp	Asset Records					1	
Asset Management Administrator	Temp	Asset Planning & System Engineering						1
GIS Technician	Temp	Asset Records	1					
Student / Co-Op	Temp	Connections						1
Engineering Technician - Connections	Temp	Connections						1
Student / Co-Op	Temp	Design and Construction						1
Powerline Technician	Regular	Distribution Operations - Lines		5		2		
Powerline Technician - Apprentice	Regular	Distribution Operations - Lines			1			
Student / Co-Op	Temp	Distribution Operations - Lines			4	4	6	3
Student / Co-Op	Temp	Distribution Operations						1
Student / Co-Op	Temp	Distribution System Planning					1	2
Asset Management and Planning Technician	Temp	Distribution System Planning						1
Student / Co-Op	Temp	Locates, Damage Protection and Inspection					1	2

System Control Centre Coordinator	Regular	System Control Centre				1		
Supervisor, System Control Centre	Regular	System Control Centre						1
Supervisor, Protection & Control and Automation	Regular	P&C and Automation						1
Protection & Control Technician	Regular	P&C and Automation						1
Protection & Control Technician - Apprentice	Regular	P&C and Automation					1	
Consultant - Asset Management, Planning and Standards	Temp	Planning and Standards				1		
Contract Administrator	Temp	Program Delivery Group					2	1
Student / Co-Op	Temp	Program Delivery Group					2	2
Student / Co-Op	Temp	Standards and System Studies					1	2
Student / Co-Op	Temp	System Control Centre				1	2	1
Supervisor, System Control Centre	Temp	System Control Centre			1			
System Control Centre Coordinator	Temp	System Control Centre					1	
System Operator	Temp, Part-time	System Control Centre	2	1				
Consultant - System Control Centre Trainer	Temp	System Control Centre					1	
Student / Co-Op	Temp	System Design					1	3
Customer Experience								
Supervisor, Quality Assurance & Compliance	Regular	Customer Care		1				
Supervisor, Customer Care	Regular	Customer Care			1			
Settlements Analyst	Regular	Customer Care					1	
Student / Co-Op	Temp	Customer Care			2	9	12	7
Customer Experience Representative	Temp	Customer Care	6	3	11	10	9	19
Metering Clerk	Regular	Customer Care	1					
Customer Experience Representative	Temp	Customer Care						1
Finance								
Student / Co-Op	Temp	Finance					2	2
Accounting Associate	Temp	Finance	2					
Financial Planning and Budgeting Analyst	Temp and	Finance					1	2

	part-time							
Payroll Administrator	Temp	Finance		1	1	1		
Cashier and Banking Associate	Temp	Finance						1
Consultant - Finance	Temp	Finance		1				
HR and Corporate Services								
HR Generalist	Regular	People and Culture		1				
Payroll Administrator	Temp	People and Culture						1
Stores Assistant	Temp	Corporate Services	1	1				
Consultant - HR	Temp	People and Culture		1				
Legal and Corporate Secretariat								
Assistant Corporate Secretary and Department Administrator	Temp	Corporate Secretariat				1	1	1
Information Management Administrator	Temp	Corporate Secretariat					1	1
Digital and Innovation								
SCADA & Communications Coordinator	Regular	Technology			1			
Student / Co-Op	Temp	Technology					1	1
Technology Program Manager	Temp	Technology						1

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 4-STAFF-103

Prospective FTEs

Ref 1: Exhibit 4 / Tab 2 / Schedule 1 / p. 25 / Table 11 (PDF p. 347)

Ref 2: Exhibit 4 / Tab 1 / Schedule 1 / p. 9 / Table 1 (PDF p. 9)

Preamble:

In Ref 2, Elexicon Energy is showing 54 FTE additions for the 2027 - 2031 test period.

Ref 1, Table 11 shows that over the course of 2026 to 2031, Elexicon Energy expects to add approximately 63 FTEs.

Question(s):

a) Please provide a table showing all added and projected FTEs from 2026 to 2031 by proposed year of hire, position and OM&A program.

b) Please explain the methodology Elexicon Energy used to determine the number of new positions required shown in a) for the 2026 - 2031 period.

i. Please provide any underlying assumptions to support how the new positions for the 2026-2031 period were determined.

RESPONSE:

a) Table 1 provides a list of positions to be added in the 2026 to 2031 period. For those positions in Asset Management and Distribution Operations, the position is shown by department. For Customer Care and Common Corporate related positions, the data is shown by OM&A Program.

Elexicon's staffing plan for the 2026 to 2031 period, as captured below, represents planned positions, and workforce requirements will be assessed throughout the period to ensure staffing aligns with operational needs. Should Elexicon identify a need to advance certain positions to support the effective execution of the 2027-2031 investment plan, it will manage within its OM&A envelope.

Business Title	Status	Division/Department	2026	2027	2028	2029	2030	2031
Asset Management and Distribution Operations								
Distribution Engineer	Regular	Asset Planning & System Engineering			1			
Engineering Technician	Regular	Connections		1				
Manager Connections & Permits	Regular	Connections		1				
Engineering Technician	Regular	Connections			1			
Student / Co-Op	Temp	Connections		1				
Asset Management and Planning Technician	Regular	Distribution System Planning		1				
Student / Co-Op	Temp	Distribution Operations - Lines		1	1			
Supervisor, Distribution System Planning	Regular	Distribution System Planning		1				
Powerline Technician	Regular	Distribution Operations - Lines		4	2			
Co-Op	Temp	Design and Construction			1			
District Supervisor	Regular	Distribution Operations - Lines			1			
District Supervisor	Regular	Distribution Operations - Lines			1			
Asset Management and Planning Technician	Regular	Distribution System Planning				1		
Engineering Technician	Regular	Distribution System Planning				1		
Student / Co-Op	Temp	Load Forecasting and Stations Planning		1				
Contract Administrator - Inspections	Regular	Locates, Damage Prevention and Inspection		1				
Locator	Regular	Locates, Damage Prevention and Inspection				1		

Business Title	Status	Division/Department	2026	2027	2028	2029	2030	2031
Protection & Control Technician - Apprentice	Regular	P&C and Automation				1		
Contract Administrator	Regular	Program Delivery Group		1			1	
Student / Co-Op	Temp	Program Delivery Group		1		1		
Program Management Consultant	Regular	Program Delivery Group		1	1			
Project Manager	Regular	Program Delivery Group		1				
Stations Technician	Regular	Stations	2				1	
Student / Co-Op	Temp	System Control Centre	1					
Dispatcher	Regular	System Control Centre	2					
Program Analyst	Regular	System Control Centre	1					
Sr. System Operator	Regular	System Control Centre	1					
Supervisor, System Control Centre	Regular	System Control Centre	1					
System Operator - Trainee	Regular	System Control Centre	3					
Student / Co-Op	Temp	System Control Centre		1				
Program Analyst	Regular	System Control Centre		1				
System Operator - Trainee	Regular	System Control Centre		2	1	1		
Trainer	Temp	System Control Centre		1				
System Operator	Regular	System Control Centre			1	1		
Student / Co-Op	Temp	System Design		1				
Engineering Technician	Regular	System Design			3			
Customer Care								
Business Process Analyst	Regular	Customer Care		1				
Customer Experience Representative	Regular	Customer Care		1				
Meter Technician	Regular	Metering			1			
Finance								
Accounting Analyst	Regular	Finance	1					
Financial Reporting Analyst	Regular	Finance		1	1			
Capital Asset Analyst	Regular	Finance				1		
Financial Planning and Budgeting Analyst	Regular	Finance				1	1	
Co-Op	Temp	Finance					1	
People and Culture and Corporate Services								
Facility Support	Regular	Corporate Services	2					
Inventory Scheduler	Regular	Procurement	1					
Procurement Specialist	Regular	Procurement	1		1			
Mechanic	Regular	Corporate Services	1					
Legal and Corporate Secretariat								
Administrator/Executive Assistant	Regular	Corporate Secretariat		1				
Insurance Analyst	Regular	Corporate Secretariat				1		
Legal Counsel	Regular	Legal				1		
Privacy Analyst	Regular	Corporate Secretariat				1		
Corporate Secretary	Regular	Legal	1					
Digital and Innovation								
Cybersecurity Supervisor	Regular	Technology	1					
System Administrator and Infrastructure Specialist (CIS/AMI)	Regular	Technology	1					
Supervisor, Data and Analytics	Regular	Technology			1			

Business Title	Status	Division/Department	2026	2027	2028	2029	2030	2031
System Administrator and Infrastructure Specialist (CIS/AMI)	Regular	Technology			1			
Regulatory Affairs and Stakeholder Relations								
Regulatory Analyst	Regular	Regulatory		1				
Community Relations Advisor	Regular	Stakeholder Relations			1			
Regulatory Specialist	Regular	Regulatory			1			
Communications Coordinator	Regular	Stakeholder Relations				1		

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

- b) Workforce staffing needs were determined by the expected work volumes in planned capital and maintenance programs, as well as the anticipated work requirements associated with: supporting technology and infrastructure upgrades that meet business requirements, serving a growing customer base with increasing expectations and more complex needs, satisfying a rising volume and complexity of regulatory, legal and policy obligations, and supporting a larger and more complex organization. Although Elexicon's planning process started with a bottom-up assessment of each area of the business informed by enhanced planning processes, initial staffing requirements were revised downward to align with bill impact considerations (see the response provided in CCC-57 (f)). The revised staffing plan, which reduced the number of positions to be added in the forecast, was informed by anticipated efficiencies and productivity anticipated from Elexicon's Dx NEXT investment in Exhibit 1 – Tab 2 – Schedule 1, pages. 23-28.
- i. As described in 4.1-PWU-10, Elexicon considered a range of inputs when determining the appropriate level of staffing. Exhibit 4 – Tab 2 – Schedule 1 – Section 4 details how Elexicon developed its workforce plan leveraging technology, effective outsourcing, and reinforcing its talent strategy to promote a high performing workforce and retention.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 4-STAFF-104

DVA Adjustment

Ref 1: Appendix 2-JB and 2JC

Ref 2: Exhibit 4 / Tab 1 / Schedule 1 / p. 13 (PDF p. 13)

Preamble:

Elexicon Energy included DVA Adjustments in lines 43 and 44 of Appendix 2-JB and 2-JC.

Elexicon Energy notes that for the Locates segment, adjustments were made pursuant to Accounting Order 002-2023, which established the Getting Ontario Connected Act (“GOCA”) variance account to capture incremental costs arising from Bill 93 and to record the approved base-rate OM&A amount as Other Revenue.

The adjustment to the Regulatory Affairs segment costs refers to a portion of the costs that are recorded in Group 2 variance accounts, including Account 1518 for retail service cost variances, Account 1548 for service transaction request variances, and Account 1508 sub-accounts for OEB cost assessments and LEAP EFA funding.

Question(s):

a) Please explain the need for these adjustments.

b) Please explain why Elexicon Energy included these amounts in its historic actuals since they are being tracked in DVA accounts.

1 **RESPONSE:**

2 a) The adjustments to the Regulatory Affairs and Locates in historical period are consistent with
3 the OEB's Deferral and Variance Account guidance for the related eligible costs, the
4 Regulatory Affairs adjustments have been explained in Exhibit 4, Tab 1, Schedule 6, Page 46
5 and Locates adjustments have been explained in Exhibit 4, Tab 1, Schedule 1, Page 13.
6 Further detail on each adjustment and its associated accounting treatment is provided in
7 Exhibit 9 - Tab 3 - Schedule 5. Elexicon presented the costs on a Gross basis for the historical
8 period for accurate comparability of the cost increases as these costs are largely outside the
9 utility's control (refer to response in part b) below).

10

11 b) The gross amounts are shown in the historical actuals in the referenced table to present the
12 gross OM&A costs incurred by each segment, which allows the evidence to clearly explain
13 cost drivers and underlying program activity as part of this application. The Group 2
14 adjustments offset these amounts, such that the net historical OM&A reflects the actual
15 recorded OM&A costs, where DVA-eligible costs have been excluded.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 4-STAFF-105

Ref 1: Exhibit 4 / Tab 1 / Schedule 1 / p. 42 (PDF p. 42)

Preamble: Elexicon Energy states the increase of \$12.7M from 2026 to 2027 is attributable to an inflation impact of \$2.1M on labour and non-labour costs, incremental labour of \$3.0M, and non-labour expenses of \$7.5M.

Question(s):

a) Please provide a table showing the breakdown of non-labour costs for the 2027 test year as well as the 2028-2031 test period and provide a short explanation for each driver.

RESPONSE:

a) Please refer to the attached Excel file 4-Staff-105(1)_2027-31 Non-labour Breakdown, which includes each major non-labour driver noted in the breakdown.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 4-STAFF-106

Labour Costs - Contract Labour

Ref 1: Appendix 2-JC

Question(s):

a) For each OM&A program listed, please provide, for each year in the 2020-2027 period, a breakdown of the total labour costs between Elexicon Energy's labour and contracted labour (e.g., contractors, consultants, etc.). Please also provide a discussion of any year-over-year changes in the proportion of work completed by Elexicon Energy relative to contracted labour.

b) Please state if Elexicon Energy plans to remain this breakdown during the 2027 - 2031 period.

RESPONSE:

a) Please refer to the attached Excel file 4-Staff-106(1)_Labour Costs-Contract Labour for a breakdown of the costs between Elexicon Energy's labour and subcontract costs. Only labour and subcontractor costs in each program are shown in this Attachment 1. For total OM&A Programs updated for 2025 actuals refer to Excel file 1-SEC-13(3)_Revised-OEB App.2-JA-JB-JC-K.

For changes in year over year labour costs refer to each specific segment variance analysis as provided in Exhibit 4 - Tab 1, with additional information related to workforce increase provided in Exhibit 4 - Tab 2 - Schedule 1, Section 3. It is assumed that items recorded in subcontracts is all contracted labour. Further discussion of high-level year-over-year changes in subcontract costs is below.

- 1 • System Planning and Design
- 2 ○ 2024 Actual vs 2025 Actual: The \$297K increase in subcontract costs in Asset Planning &
- 3 System Engineering is due to consulting work to support enhanced planning activities for
- 4 the rebasing application. Contracted work is expected to be inline with normal
- 5 proportions in 2026.
- 6 • System Operations
- 7 ○ 2024 Actual vs 2025 Actual: The \$448K increase in control centre subcontract is due to
- 8 SSC requirements as noted in Exhibit 10 - Tab 2 - Schedule 1.
- 9 • Sustainment
- 10 ○ Maintenance Distribution Systems:
- 11 ○ 2023 Actual vs 2024 Actual: \$836K increase in contracted work due to
- 12 outsourcing of some critical maintenance programs. Refer to Exhibit 4 - Tab 1 -
- 13 Schedule 4, page 28 for further discussion.
- 14 ○ 2024 Actual vs 2025 Actual: \$1.1 million increase in subcontracts mainly due to
- 15 historical pole testing costs being expensed to OM&A from capital.
- 16 ○ Maintenance Substations:
- 17 ○ 2023 Actual vs 2024 Actual: \$2.7 million increase due to substation vandalism
- 18 incident as noted in Exhibit 4 - Tab 1 - Schedule 4, page 39.
- 19 ○ 2024 Actual vs 2025 Actual: The \$3 million subcontract cost decrease is due to
- 20 reduced work related to the vandalism incident in 2025 and recovery of some
- 21 costs related to the vandalism incident through insurance.
- 22 ○ Vegetation Management
- 23 ○ 2023 Actual vs 2024 Actual: Increase of \$300K subcontract costs related to
- 24 planned feeder clearing and off-cycle spot trimming activities. Refer to Exhibit 4 -
- 25 Tab 1 - Schedule 4, page 51.
- 26 • Customer Care
- 27 ○ 2022 Actual vs 2023 Actual: The \$600K decrease in subcontract costs is primarily driven
- 28 by an external vendor being replaced with internal capacity. This is directly related to

insourcing settlement activities. Detailed discussion on the Customer Care program provided in Exhibit 4 - Tab 1 - Schedule 5.

- Common Corporate

- Technology

- 2024 Actual vs 2025 Actual: Increase of \$909K in technology subcontract costs due to Dx NEXT RFP costs not being deferred through DVA, Modern Workplace initiative, and cybersecurity monitoring costs.

- 2026 Bridge to 2027 Test Year: \$971K increase relates to support costs for SAP S/4HANA and SEW and other initiatives as noted in Exhibit 4 - Tab 1 - Schedule 6, page 22.

- Finance

- 2025 Actuals vs 2026 Bridge Year: The increase of \$564K subcontract costs relates to audit, tax and treasury requirements; please also refer to the response in 4.0-VECC-45. Additional discussions on Finance segment requirements provided in Exhibit 4 - Tab 1 - Schedule 6, page 32.

- Regulatory Affairs

- 2022 Actual vs 2023 Actual: \$969K increase in the subcontract costs between 2022 and 2023 due to ICM application.

- 2026 Bridge Year vs 2027 Test Year: \$556K increase in subcontract costs related to rebasing application costs.

- Legal and Corporate Secretariat

- 2024 Actual vs 2025 Actual: The \$1.1 million increase in subcontract costs between 2024 and 2025 is due to consulting activities related to implementation of Elexicon's strategic plan, increased legal costs to support growing work activities and due to the transfer of the President & CEO office to Elexicon Corporation which shifts costs from the labour line to the subcontracts line.

- Procurement and Facilities

- o 2026 Bridge vs 2027 Test Year: The \$933K increase in subcontract costs due to security and monitoring activities as noted in Exhibit 4 - Tab 1 - Schedule 6, page 38.

- b) During the 2027-2031 period, the breakdown changes based on Elexicon's needs. Elexicon has provided the best forecast of resources necessary to execute on its investment plan. Through this application the OEB will approve an OM&A funding envelope and Elexicon will manage within that amount over the term including in response to any changing circumstances.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 4-STAFF-107

Capital-related Labour Costs

Ref 1: Exhibit 4 / Tab 2 / Schedule 1 / p. 26 (PDF p. 348)

Preamble:

Elexicon Energy notes that its workforce plans for the 2026 to 2031 period are driven by its investment plan. Elexicon Energy states that it must have a sufficiently sized workforce to execute a significant increase in planned capital related to capacity and customer connections, asset deterioration, grid modernization, as well as technology and infrastructure upgrades to support business requirements.

Question(s):

a) What percentage of the capital budget is due to labour for each year in the forecast period?

RESPONSE:

a) Please refer to Table 1 below which shows the percentage of capital budget performed by internal labour

Table 1: Percentage of capital budget due to Internal Labour

2026 Bridge Year	2027 Test Year	2028	2029	2030	2031
18%	11%	14%	14%	14%	12%

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 4-STAFF-108

FTEs and Overtime

Ref 1: Appendix 2-K

Ref 2: Exhibit 4 / Tab 1 / Schedule 3 / p. 2 (PDF p. 66)

Question(s):

- a) Please provide a revised version of Appendix 2-K that reflects 2025 actuals and the 2026/2027 forecast using the current best available information. As part of the response, please also provide the number of employees, total salary and wages (with a further breakout of overtime and incentive pay), total benefits, and total compensation by the following categories: Executive, Management, Union, and Non-Union for each year from 2020 - 2027.
- b) Please confirm if total FTEs and compensation in Appendix 2-K include allocated FTEs from Elexicon Corporation.
- c) Please explain how overtime-related compensation was forecast for the 2027-2031 test years.
- d) Elexicon Energy states in reference 2 for System Operations the utility relied on overtime and contractors to fill resourcing gaps which contributed significantly to the overall increase in costs over the 2020-2026 period. Please provide the total overtime related costs. Are there any overtime related costs budgeted for in the forecast period for this segment? If so, please provide the forecast costs.

1 **RESPONSE:**

- 2 a) Please refer to the response in 4-CCC-57, part (a).
3 b) Total FTEs and compensation in Appendix 2-K does not include Elexicon Corporation.
4 c) For the 2027-2031 period, overtime was informed by a departmental level review of historical
5 actuals and estimated departmental requirements and is exclusive of excess overtime for
6 occurrences of uncontrollable events (i.e.. Storms). Please refer to the excel attachment in 4-CCC-
7 57, part (a) to see the overtime by year.
8 d) Tables provided below include overtime actual and forecast amounts specific to the System
9 Control Centre. System Control Centre is a function within the Control Centre segment.

10 **Table 1: System Control Centre OM&A Overtime Actuals 2020-25**

	Actuals					
Years	2020	2021	2022	2023	2024	2025
System Control Centre (\$)	156,784	214,075	302,692	192,029	189,751	327,518

11

12 **Table 2: System Control Centre OM&A Overtime Forecast 2026-31**

	Forecast					
Years	2026	2027	2028	2029	2030	2031
System Control Centre with Exhibit 10 update (\$)	296,524	349,213	375,464	402,720	410,775	418,990

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 4-STAFF-109

Vacancy Rate

Ref 1: Exhibit 4 / Tab 2 / Schedule 1 / p. 39 (PDF p. 361)

Ref 2: OEB Appendix 2-K

Question(s):

a) Elexicon Energy states that as of mid-year 2025, its vacancy rate is 4.28%. Please explain Elexicon Energy's methodology used to derive the vacancy rate of 4.28% or provide a spreadsheet (or a table) that supports the derivation of the vacancy assumption numbers of 4.28% based on historical and current trending which includes attrition (retirement and resignations), internal/external environmental factors and forecasting noted above.

b) Please provide the year-to-day vacancy rate and forecasted vacancy rate from 2026-2031 used for budgeting purposes.

RESPONSE:

a) The 4.28% referenced in Exhibit 4 - Tab 2 - Schedule 1 - Section 5.5.6 - page 39 is a recruitment based measurement of actual headcount vs. planned headcount and acts to provide the People & Culture team insights into the progress of filling vacancies against the projected hiring plan for the organization and allocate the segment's resources accordingly to support the recruitment and onboarding process. For clarity this is not the same as the financial planning vacancy rate metric and does not reflect the budgetary impact of staff gapping, nor the use of alternate labour sources. As for the recruitment based mid-year calculation referenced, it used as a point in time snapshot of actual regular full-time and part-time headcount vs. hiring plan progress.

1 Please note that for discussion of Elexicon's financial planning vacancy rate please refer to 4-SEC-
2 86.

3
4 b) The financial planning (or FTE-based) actual vacancy rate for period Q1 2026 is 3.0%. Given this
5 percentage was calculated with only three months of data, it does not account for the fact that
6 vacancies posted are being actively recruited and thus is a low-value indication of what the
7 vacancy rate will be by year end. Please refer to 4-SEC-86, part c) for the forecasted vacancy rates
8 from 2026-2031. For historical vacancy rates, please refer to the response in 4-SEC-86, part a).

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 4-STAFF-110

Compensation

Ref 1: Appendix 2-K

Preamble:

OEB staff notes that Elexicon Energy increased its average management salary per FTE by 31% in 2021. The increase for the 2027 test year shows an increase of 14%.

OEB staff notes that Elexicon increased its average salaries and wages for non-management by 5.73% per FTE in 2021.

Question(s):

- a. Please explain the increases in management salary in 2021 in detail.
- b. Please explain the increase in management salary in 2027 in detail and provide any underlying assumptions.
- c. Please provide the annual salary increase for management for the 2028-2031 test period.
- d. Please justify the increase for non-management salaries and wages and discuss how it affects the synergy savings Elexicon Energy is showing.

RESPONSE:

- a) These increases are attributable to:
 - Non-union market-based compensation adjustments that increased the compensation ranges for non-union positions, in turn increasing the accrual for short-term incentive pay in 2021.
 - Severance costs associated with merger-related exits timed in 2021.

1 b) Please refer to 1-SEC-13 part c) for the latest Appendix 2-K table.

2 In order to successfully deliver its plan, Elexicon must be able to attract and retain a highly-
3 skilled workforce. Consistent with the findings of the compensation market review and
4 benchmarking conducted by Mercer, Elexicon needs to adjust its compensation to ensure it
5 is competitive within the target 50th percentile of the market in which it competes for
6 talent. Adjustments include making changes to pay-at-risk performance pay eligibility to
7 better align with market. These changes also support Elexicon's performance-based
8 compensation principles, and will incent employees to deliver outcomes that customers
9 need and value. Specifically, the changes entail:

10 (i) adjusting the short-term incentive plan (STIP) so that the cash payout is based on
11 an eligible employee's base pay instead of the midpoint of the pay band – this
12 change is being made for all individuals eligible to receive STI, which includes
13 management, as well as supervisors and non-unionized individual contributors.

14 (ii) increasing the STI target percentage for senior management from 15% to 20%;

15 (iii) increasing the % of incentive pay opportunity for exceptional performance
16 (referred to as "incremental stretch");

17 (iv) introducing a Long-Term Incentive Plan (LTIP) for executives which begins to accrue
18 in 2026.

19 For additional information and context regarding these changes, please also refer to
20 responses provided in 4-CCC-58 and 4-CCC-59 and refer to Exhibit 1 - Tab 5 - Schedule 2,
21 Table 17 (pg. 23 Lines 7-10) for labour inflation assumptions.

22 c) Please refer to the response provided in 4-CCC-58, part b) for the annual compensation
23 adjustments for all employee categories.

24
25 d) The adjustments to compensation for non-union, non-management staff is detailed in
26 response to parts b) and c) above. Compensation for unionized staff is determined by the
27 collective agreement through bargained wage adjustments, which have been informed by

1 utility peers' outcomes as discussed in section 6 of Exhibit 4 – Schedule 2 – Tab 1 (see Table
2 13).

3 Based on the review and benchmarking that Mercer has completed, Elexicon has both a
4 non-union and union compensation structure that is considered competitive and aligned
5 with its comparator market. Please refer to 4-SEC-82, 4-SCC-83, and 4-CCC-60 for further
6 discussion of the Mercer results.

7
8 The methodology for estimating labour synergies is discussed in the response to 1-CCC-05
9 (g). As wages increase, so do the synergy savings that would be associated with each
10 position to reflect the increasing cost that would have been required by the legacy utilities
11 to carry that position over time.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 4-STAFF-111

Workforce Planning

Ref 1: Exhibit 4 / Tab 1 / Schedule 1 / p.26 (PDF p. 348)

Ref 2: Exhibit 4 / Tab 1 / Schedule 6 / p. 6 / Appendix A (PDF p. 258)

Ref 3: Appendix 2-K

Preamble:

Elexicon Energy notes that during its business planning process, it revised its forecast internal staffing levels over multiple planning stages to determine the minimal amount of net new positions to be added to Elexicon Energy's workforce during the forecast period (2026 to 2031).

In Ref 2, Elexicon Energy provides a table showing cost savings from the Dx NEXT implementation of \$21.05M

In Ref 1, Elexicon Energy notes that it was able to reduce its FTE requirements after evaluation of the anticipated benefits and impact of the Dx NEXT project. The impact of Dx NEXT will permit Customer Care to reduce internal labour requirements by 18 FTE, and for Finance, 6 FTE. Elexicon Energy's hiring plan limits new roles to only those essential for executing its plan.

Question(s):

a) Please provide the annual incremental productivity savings (not sustained savings) per year for the 2027 to 2031 period.

b) Please provide a brief explanation of how the incremental productivity savings due to Dx NEXT has been calculated.

c) Please provide a spreadsheet that shows supporting calculations used to derive the amount of savings per year and discuss the underlying assumptions.

d) Please indicate the program(s) these savings have been incorporated into at the

1 level of the cost drivers shown in Appendix 2-JB.

2
3
4
5 **RESPONSE:**

6 a) The OM&A savings related to Dx NEXT are discussed in detail in the response to 4-CCC-51 j).

7
8 b) Please refer to the response in 4-CCC-51 j).

9
10 c) Please refer to the response in 4-CCC-51 j).

11
12 d) Software savings impact the Customer Care Program, the People and Culture segment, and the
13 Technology segment. FTE-related efficiencies impact the Finance segment and the Customer Care
14 segment.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 4-STAFF-112

OM&A per Customer

Ref 1: Appendix 2-L, OM&A per Customer

Ref 2: Appendix 2-IB, Customer and Connections

Ref 3: Exhibit 4 / Tab 1 / Schedule 1 / p. 35 / Table 5 (PDF p. 35)

Preamble:

OEB staff notes that Appendix 2-L, line 19 (Number of Customers) and Table 5 in Ref 3 do not match Elexicon Energy's evidence provided in Appendix 2-IB.

Question(s):

a) Please confirm that Elexicon Energy used customer and connection numbers to calculate the OM&A per customer value in Appendix 2-L. If so, explain why.

b) Update Appendix 2-L and Table 5 using customer number only (excluding connections).

c) Please provide a comparison with Ontario's and peer group averages using the updated OM&A per customer.

RESPONSE:

a) Elexicon confirms the customer numbers include connections and agrees it should be revised in Appendix 2-L. Elexicon completed appendix using the 2026 version of the template, in which the instructions were unclear.

b) An updated Appendix 2-L is filed as Excel file 4-Staff-112(1)_OEB App.2-L OM&A per Customer and FTE.

- 1 c) Please see Figure 6 in the benchmarking analysis found in Exhibit 1 – Tab 5 – Schedule 3 for
2 a comparison with Ontario's and peer group averages.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 4-STAFF-113

Dx Next and Asset Management and Distribution Operations

Ref 1: Exhibit 4 / Tab 1 / Schedule 6 / Appendix A / pp. 26 - 27 (PDF p. 283 - 284)

Ref 2: Exhibit 4 / Tab 1 / Schedule 6 / Appendix A / p. 26 / Table 7 (PDF 283)

Question(s):

a) Please quantify the savings and state in which year the savings are or will be realized.

b) Please quantify the overtime savings that Ellexicon Energy is expecting.

RESPONSE:

a) Please refer to the response in 4-CCC-51 (j) for a quantification of the OM&A related savings associated with Dx NEXT.

b) Ellexicon has not specifically quantified the overtime savings in the context of its capital plan. However, Ellexicon anticipates productivity efficiencies from Dx NEXT investments which is discussed in 4-SEC-78. For OM&A budgeting, Ellexicon has used a conservative assumption of overtime in the forecast period and is further discussed in response to 2-CCC-58 e).

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 4-STAFF-114

Asset Planning and System Engineering (APSE)

Ref 1: Exhibit 4 / Tab 1 / Schedule 2 / p. 5 - 11 (PDF p. 51 - 57)

Preamble:

OEB staff notes that APSE cost increased by 70% from 2020 to 2027 and are expected to rise a further 10% by 2031.

Question(s):

a) Please provide a breakdown of these costs between Distribution System Planning, Load Forecasting and Station Planning and System Studies and Standards from 2020 to 2031 and a breakdown by drivers for each division.

b) Please explain the particular increases in 2024 and the proposed increase in 2027 in more detail.

RESPONSE:

a) Please see Table 1 below including 2025 actuals. Appendix 2-JC is updated in 1-SEC-13, Attachment 3.¹ For clarity, the Distribution System Planning, Load Forecasting and Station Planning, and System Studies and Standards functions are part of the Asset Planning and System Engineering (APSE) segment, and the increases for the segment are explained below in part b).

Table 1: Asset Planning and System Engineering Cost Breakdown by Division

	Historical (Actual)						Bridge (Forecast)	Forecast				
Years	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Segment Costs (\$M)	0.46	0.46	0.57	0.47	0.95	1.29	1.12	1.53	1.67	1.73	1.82	1.86
Distribution System Planning	0.26	0.25	0.36	0.30	0.45	0.77	0.52	0.66	0.72	0.75	0.78	0.80
Load Forecasting and Station Planning	0.10	0.11	0.10	0.08	0.25	0.26	0.33	0.52	0.56	0.58	0.60	0.62
System Studies and Standards	0.10	0.11	0.10	0.08	0.25	0.26	0.27	0.35	0.39	0.40	0.43	0.44

b) The increase in 2024, along with the forecasted increase in 2027, is attributable to additional staffing resources within this segment. As illustrated in the referenced exhibit, the volume and complexity of work reached a critical threshold in 2024, necessitating an expansion of staffing levels and the establishment of a dedicated department with the specialized capabilities required to support capital and maintenance planning activities. Costs are forecasted to increase again in 2027 due to planned hiring in 2027 to augment the APSE segment, and the team's growth remains at a moderate pace relative to the significant increase in the volume and complexity of capital and maintenance work planned at the utility over the forecast period.

¹ Numbers may not sum due to rounding.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 4-STAFF-115

Control Centre

Ref 1: Exhibit 4 / Tab 1 / Schedule 3 / p. 8 and 13 (PDF p. 72 and 77)

Ref 2: Exhibit 10 / Tab 1 / Schedule 1 / p. 4 (PDF p. 4)

Preamble:

Elexicon Energy notes that to mitigate risks and ensure the System Control Centre remains adequately staffed and operationally resilient, the utility strategically decided to insource its System Operator apprenticeship training program and participate in apprenticeship initiatives to rebuild its internal resources and stabilize its workforce.

On April 7, 2026 Elexicon Energy filed an evidence update that shows increased cost for the Control Centre of \$6M versus \$2.7M shown in the pre-filed evidence.

Question(s):

a) Please explain the reason for the increase shown in the April 7, 2026 evidence in detail.

b) Please provide a detailed breakdown of this cost drives and provide a table that shows each FTE by title and year of hire or proposed time of hire.

c) Please state how many apprentices have been hired by Elexicon Energy to date and how many are anticipated to be added in the 2027 test year and the 2028-2031 test period.

d) Please elaborate on the costs to support the apprenticeship program.

e) Did Elexicon Energy receive any apprenticeship grants or loans?

i. If so, please quantify and elaborate.

ii.If not, why not. Please explain if a grant was sought.

- 1 **RESPONSE:**
- 2 This interrogatory will be addressed in the second round.
- 3

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 4-STAFF-116

Maintenance - Substations

Ref 1: Exhibit 4 / Tab 1 / Schedule 4 / p. 4 (PDF p. 127)

Ref 2: Appendix 2-JB and 2-JC

Preamble:

In its variance analysis, Elexicon Energy notes that the cost drivers for substation maintenance are decreasing in the 2024-2027 period due to the normalization after the vandalism incident in 2024.

OEB staff notes that while costs decreased significantly in 2025, costs in 2027 are projected to increase by a further \$400k.

Question(s):

a) Please explain the increase in the 2025, 2026 and 2027 test year compared to 2020 - 2023 year-over-year and provide a variance analysis for the 2028 - 2031 test period year over year.

b) Please provide the cost of the vandalism incident in 2024.

RESPONSE:

- a) The increase in substation maintenance costs in the 2025–2027 period relative to 2020–2023 historical period is driven primarily by higher planned maintenance expenditures at stations. While overall costs trend upwards across these years, the 2025 cost level is comparatively lower due to a one-time oil spill insurance recovery related to an oil spill incident in 2024, which reduced

1 net maintenance costs in that year. As a result, the year-over-year increases observed in 2026 and
2 2027 appear more pronounced when compared to 2025.

3 For the 2027–2031 forecast period, costs increases are driven by several factors including
4 additional staffing and the use of contractors to address a broader scope of deficiencies, increased
5 maintenance for aging assets, growth in P&C maintenance activities for Seaton Municipal
6 Transformer Station, and incremental maintenance requirements associated with newly
7 commissioned stations. For more details, please refer to Exhibit 4 - Tab 1 - Schedule 4 - pages 37
8 – 40 and pages 43 – 44.

9
10 b) The total net cost of the vandalism incident that occurred in 2024 is \$1,328,491.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 4-STAFF-117

Vegetation Management

Ref 1: Exhibit 4 / Tab 1 / Schedule 4 / p. 3-4 (PDF p. 86-87)

Ref 2: Exhibit 4 / Tab 2 / Schedule 4 / p. 57 (PDF p. 140)

Preamble:

In Ref 1 Elexicon Energy notes that it will deploy Light Detection and Ranging (LiDAR) and satellite imagery within its vegetation management program to support the transition from area-based to feeder-based trimming cycles and incorporate planned mid-cycle spot trimming for worst performing feeders and rural areas. Elexicon Energy states that during the transition, some overlap between the two methods will temporarily increase trimming volumes in the initial years and then stabilize over the forecast period.

Question(s):

a) Please provide a table showing the cost breakdown for the traditional vegetation management and the Light Detection Ranging and satellite imagery for the 2027 test year and the 2028 - 2031 test period.

b) In Ref 2, Elexicon Energy states that it expects operational efficiencies from this condition approach. Explain if any efficiency due to this technology has been considered in the 2028 - 2031 OM&A budget and quantify the amount.

c) Elexicon Energy notes that system expansion will increase the volume of vegetation management activities.

i. Please quantify the expected cost increase due to expansion and provide further explanation.

ii. Please discuss the vegetation management needs in new subdivisions in the 2027 - 2031 test period.

1 **RESPONSE:**

2 a) Please refer to 4-CCC-44 a).

3
4 b) For clarity, Reference 2 pertains to Exhibit 4 - Tab 1 - Schedule 4 - page 57. As noted therein, the
5 full benefits associated with the transition to a feeder-based approach and mid-cycle spot
6 trimming schedule, together with the implementation and benefits of AI-enabled vegetation
7 analytics and Light Detection and Ranging (LiDAR), are expected to materialize after the initial
8 years of implementation. Accordingly, Elexicon has not yet established quantitative efficiency
9 savings into the 2027-2031 OM&A forecast period. However, these efficiency gains, together with
10 the benefits expected from Dx NEXT through the integration of advanced analytics and predictive
11 modelling into the planning process, are anticipated to help offset program cost pressures arising
12 from the increased volume of vegetation management in the forecast period.

13
14 c) Overhead primary distribution circuits are projected to increase by approximately 0.73% per year,
15 based on historical growth trends and known system expansion investments.

16 i. Newly constructed overhead primary distribution circuits will be trimmed at the time of
17 construction and will be excluded from the regular vegetation management cycle during
18 their first year of service. These circuits subsequently will enter the standard three-year
19 vegetation management cycle, beginning in their year of construction. By 2031,
20 approximately 73 km of additional overhead primary distribution circuits are forecasted
21 to be added to Elexicon's network and will require vegetation management during the
22 2027–2031 forecast period. This increase is expected to result in additional vegetation
23 management costs, which are forecast to increase the annual vegetation management
24 expenditures by approximately 1% annually over the 2027–2031 period.

25 ii. Elexicon's current design standard for residential subdivisions is based primarily on
26 underground distribution loops. For the 2027–2031 forecast period, all new subdivisions
27 are planned to be designed and constructed with primary underground distribution loops,
28 requiring minimal to no vegetation management.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 4-STAFF-118

Locates

Ref 1: Exhibit 4 / Tab 1 / Schedule 4 / p. 62 (PDF p. 145)

Ref 2: Exhibit 4 / Tab 1 / Schedule 4 / p. 65-68 (PDF p. 148-151)

Ref 3: Appendix 2-JB and 2-JC

Preamble:

In Ref 1, Elexicon Energy notes that the Getting Ontario Connected Act (GOCA) variance account (EB-2023-0143) requires utilities to record the locate "revenue" amount representing the OM&A expense related to the locate cost that was approved in the utility's base rates as Other Revenue. This allowed Elexicon Energy to track such costs incurred from April 1, 2023, through to December 31, 2026, up to the 2027 rebasing.

Ref 2 notes that this segment will incur a one-time cost increase to update Elexicon Energy mapping record to meet the requirements of defined coverage areas for the OOC mapping notification system.

Question(s):

a) Please quantify the one-time cost increase due to the mapping initiative for the Gravenhurst and Port Hope area.

b) Please provide a more detailed breakout of the Cable Locates program budget for the historical and forecast period attributed to volume increases and locate service provider fees. How are the locate notification volumes forecasted for the 2025 - 2031 period?

i. Please also provide supporting calculations used to derive the forecast costs per year.

1 c) Please explain how efficiencies due to the implementation of the Dx NEXT Project related to
2 Locates have been factored in when preparing the budget for the forecast period?

3
4 d) Please provide a table that shows (i) actual and forecast cable locate program
5 costs per year, (ii) the total amount recorded in the Getting Ontario Connected
6 Act (GOCA) Variance account 1508 per year, (iii) total cost which is a sum of (i) and (ii) for the 2020
7 to 2027 period.

8 i. Please provide an explanation for year-over-year increases/decreases in the above calculated
9 annual total cost.

10
11 e) Please provide a breakdown of the dedicated Locates and Damage Prevention team including
12 positions and responsibilities.

13 i. Please explain the need for additional staff in 2024 - 2027, including title and job responsibilities.

14 ii. Please explain the need for the additional staff in 2027 - 2031 including title and job
15 responsibilities.

16
17 **RESPONSE:**

18 a) Please refer to the response to 4-CCC-45 part b) for the quantified one-time mapping
19 initiative cost and related details.

20
21 b) Please refer to the response to 4-CCC-45 part a) Table 1 for the detailed breakdown of Cable
22 Locates program costs. The Cable Locates program forecast for the 2025–2031 period is
23 developed based on historical program costs rather than forecast locate notification
24 volumes. Labour costs are adjusted to reflect planned staffing additions, while non-labour
25 costs (excluding vehicles) are escalated at 2% annually to account for inflation.

26
27 c) As noted in Exhibit 4 - Tab 1 - Schedule 4, page 66, the Dx NEXT initiative is expected to
28 deliver productivity benefits to the locates segment in the forecast period. Dx NEXT is
29 expected to improve the efficiency of Ellexicon's contractor administration. These

1 efficiencies have not been separately quantified and have not been factored into the locates
2 segment forecast costs as locates costs are predominantly driven by third party contractor
3 costs associated with locate request volumes, with the remaining costs related to internal
4 labour and Ontario One Call fees. Dx NEXT, together with enhanced oversight, is expected to
5 improve the efficiency and cost control of third party services.

6
7 d) This interrogatory will be addressed in the second round.

8
9 e) The Locates and Damage Prevention team includes a team of three (3) regular employees
10 (Supervisor, Program Analyst, Contract Administrator) and a co-op student. Elexicon
11 required a sufficient complement of staff to ensure it could meet compliance requirements
12 in light of legislative changes. Following the introduction of Bill 93 in 2022 and prior to
13 administrative penalties taking effect in May 2024, Elexicon sought and obtained substantial
14 improvements in its locate compliance. Compliance increased from approximately 58% in
15 2022 to 89% in 2023 and further to a sustained rate of 97% following the establishment of a
16 dedicated locate team in June 2024. These efforts were formally recognized by Ontario One
17 Call at its 2025 Conference and Tradeshow. The team is responsible for forecasting, tracking,
18 and managing locate requests across public, dedicated, and alternate locate agreements to
19 ensure regulatory compliance and protect Elexicon's infrastructure. Key responsibilities
20 includes overseeing transmission of locate requests from the Ontario One Call (OOC)
21 platform to Elexicon's Locates Service Providers and ensuring compliance with timelines,
22 assisting LSPs with field-related challenges such as access to Elexicon infrastructure,
23 scheduling responses to underground infrastructure strikes and damages, performing field
24 inspections on contractor locates, reviewing audit results, facilitating contracts, and
25 agreements, managing invoicing, and supporting data analysis, reporting, and damage
26 prevention activities. Elexicon does not anticipate net additional positions to be added to
27 this segment over the 2027 to 2031 period.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 4-STAFF-119

Billing

Ref 1: Exhibit 4 / Tab 1 / Schedule 5 / p. 10 (PDF p. 161)

Ref 2: Appendix 2-JB and 2-JC

Preamble:

OEB staff notes that projected cost in 2027 for the billing segment will have increased by 20% over 2020.

In Ref 1, Elexicon Energy notes that in addition to merger synergies, the billing segment has controlled expenses related to paper bills by making efforts to convert customers to e-billing through customer outreach and education. As of 2025 prices, Elexicon saved approximately \$18.70 per year per customer through conversion to e-billing.

Question(s):

- a) What is Elexicon Energies percentage of e-billing to date?
- b) What is the project share of e-billing for each year of the 2027 - 2031 test period?
- i. How have savings due to e-billing been projected in the 2027 - 2031 OM&A budget for this segment.

RESPONSE:

a) Please see response to 4-CCC-51 j).

b) Please see response to 4-CCC-51 j).

i. Please see response to 4-CCC-46 a).

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 4-STAFF-120

Customer Experience and Contact Centre

Ref 1: Exhibit 4 / Tab 1 / Schedule 5 / p. 18 (PDF p. 169)

Ref 2: Exhibit 4 / Tab 1 / Schedule 6 / p. 26 - 27 (PDF p. 282 - 283)

Ref 3: Appendix 2-JB and 2-JC

Preamble:

In Ref 1 Elexicon Energy notes that costs will increase by \$0.83M during the 2024 - 2027 period, primarily due to the addition of staff to support the increasing volume and complexity of customer inquiries, as well as the discovery phase for AMI 2.0. Further increases reflect costs for the first full year of operations for the Key Accounts function.

Question(s):

3.5.1 2024 – 2027 Variance Explanation:

Costs will increase by \$0.83M during this period, primarily due to the addition of staff to support the increasing volume and complexity of customer inquiries, as well as the discovery phase for AMI 2.0. Further increases reflect costs for the first full year of operations for the Key Accounts function.

a) Please provide a breakdown between the various drivers (i.e. discovery phase for AMI 2.0, additional staff etc.) on this increase for the 2027 test year and each year of the 2028 - 2031 test period.

b) Provide a breakdown between consultant costs and internal labour costs.

c) In Ref 3, Elexicon Energy states that it would have required the addition of 18 FTEs to ensure continues operations.

i. Please provide all the underlying assumptions and calculations for this statement.

ii. Are any of the proposed costs for this cost driver related to the implementation of the Dx Next project? If so, please quantify and explain.

RESPONSE:

a) To clarify, this response provides a breakdown between the various drivers (i.e. discovery phase for AMI 2.0, additional staff etc.) for the 2024 to 2027 period, consistent with the drivers being asked and the reference provided in the question.

Between 2024 and 2027, the \$0.83M increase is driven by the incremental impact of introducing the Key Accounts team in late 2024 (\$190K), costs associated with the AMI 2.0 discovery phase in 2027 (\$200K), and the addition of three resources in the Customer Care program in 2027 (\$315K), with the remaining increase attributable to inflationary pressures.

b) Please refer to the response in 4-CCC-47 a).

c) Please refer to the response in 4-CCC-51 j).

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 4-STAFF-121

Technology - Modern Workplace Project

Ref 1: Exhibit 4 / Tab 1 / Schedule 1 / p.9 (PDF p. 9)

Ref 2: Exhibit 2B / Tab 3 / Schedule 2 / Table 2 (PDF p. 632)

In Ref 1 Elexicon Energy states that it was able to shift approximately \$1.6 million in OM&A costs related to AMI 2.0 to align with anticipated deployment, which is also paced to mitigate bill impacts in the Test Year.

a) Please provide the non-capitalized costs included in the OM&A budget for the Modern Workplace project in 2027, 2028, 2029, 2030 and 2031, if applicable.

b) If there are non-capitalized costs included in the Technology driver, confirm that this amount is incremental to the \$59.7M capital costs proposed for the Grid Modernization project.

RESPONSE:

a) There will be no OM&A costs for Modern Workplace from 2027 - 2031. Please refer to the response in 4-CCC-50 for non-capitalized Modern Workplace costs in previous years.

b) Yes, applicable OM&A costs are incremental to the \$59.7M of proposed capital costs. Applicable OM&A costs form a part of the Third-Party Contractor cost line item available at part a) of the response to 4-CCC-50.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 4-STAFF-122

Technology

Ref 1: Exhibit 4 / Tab 1 / Schedule 1 / p.9 (PDF 9)

Ref 2: Exhibit 4 / Tab1 / Schedule 6 / p. 14 (PDF 201)

Ref 3: Exhibit 4 / Tab 1 / Schedule 6 / Appendix A / p. 26 / Table 7 (PDF p. 282)

Ref 4: Exhibit 4 / Tab 1 / Schedule 6 / Appendix A / Attachment 1 - Dx NEXT Project Summary

Business Case, p. 25 (PDF p. 311)

Ref 5: Appendix 2-JB and 2-JC

Preamble:

Appendix 2-JB shows an increase of \$9.3M or 77% in Technology from 2020 to 2027.

Elexicon is proposing a budget between \$12M to \$13M for this category over the CIR term.

Reference 1 shows \$19.5M for the third and final portion of Dx NEXT implementation costs.

Elexicon is proposing the final phase of implementation costs, forecasted for

2027, be included in the Cloud Computing and Implementation account and recovered over a ten-year period commencing in 2027.

Question(s):

a) Please provide a cost breakdown for the Technology cost driver (i.e. license, subscriptions, additional staff etc.) for each year from 2020 to 2027 and the forecast period of 2028 to 2031.

b) Please confirm that any costs included in the Technology cost driver in Appendix 2-JB is incremental to the cost of \$42M sought for recovery through Account 1511 Cloud Computing Implementation Account.

c) Please confirm that the total cost for the Dx NEXT project is \$61.6M.

d) In Ref 4 Elexicon Energy shows internal labour costs of \$4.2M in the 2027 test year and \$0.2M in

- 1 2028.
- 2 i. Are the internal labour costs tracked in the variance account or included in the OM&A budget?
- 3 ii. If costs Dx NEXT related internal labour costs are included in the OM&A budget, please provide
- 4 all programs those costs are included in.
- 5 e) Please confirm that subscription costs related to the Dx NEXT project are included in the 2028 -
- 6 2031 OM&A budget.
- 7 i. If so, please clarify if these costs are included in the technology driver.
- 8 ii. If not, please shows where these costs have been included in the OM&A budget for the 2028 -
- 9 2031 test period.
- 10 f) Ref 3, Table 7 shows cost savings of \$5.22M in software costs for the 2027-2031 period.
- 11 i. Discuss in detail how the \$5.22M savings from the Dx NEXT Project affect
- 12 the technology cost driver in the 2027 test year and in the 2028 - 2031 test period.
- 13 ii. Please provide a year-over-year variance analysis.
- 14 iii. Please contrast the achieved savings with year-over-year costs related to the Dx NEXT project
- 15 costs (i.e. subscription costs etc.).

16
17
18
19

20 **RESPONSE:**

21
22
23
24
25
26
27
28
29

- a) Please refer to the response in 4-CCC-50 a), for a cost breakdown for the Technology cost driver (i.e. license, third-party contractor, labour, etc.) for each year from 2020 to 2027 and the period of 2028 to 2031.
- b) Confirmed. Please refer to the response in 4.1-PWU-09 c), and 4-CCC-51 g) for further details.
- c) Please refer to the response in 4-CCC-51 g).

- 1 d) (i) The internal labour costs associated with the implementation of Dx NEXT are tracked in
2 the Cloud Computing DVA.
3 (ii) Please see the response provided to part d) i).
4
5 e) (i) Ongoing subscription costs related to Dx NEXT are included in the 2027-2031 OM&A
6 budget in the Technology segment.
7 (ii) Please see the response provided to part e) i).
8
9 f) Part i) Please refer to 4-CCC-51 j) for details on the cost savings associated with Dx NEXT. The
10 software savings discussed in that response impact the Technology segment, the Customer
11 Care program, and the People and Culture segment.
12 Part ii) Please refer to the response in 4-CCC-51 j).
13 Part iii) Please refer to the response in 4-CCC-51 j).

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 4-STAFF-123

Regulatory Affairs

Ref 1: Exhibit 4/ Tab 1 / Schedule 6, p.48-52 (PDF p. 235-239)

Ref 2: Appendix 2-JB and 2-JC

Preamble:

OEB staff notes that Elexicon Energy's 2027 costs for its regulatory affairs department have increased by \$3.17M or 68% since 2020 and are expected to rise a further 4% over the Custom IR term.

On p. 50 Elexicon Energy also noted that productivity savings for the Dx Next project provide efficiencies are forecast to reduce the number of new positions required to adequately execute core responsibilities within this segment.

On p. 48 Elexicon notes that it will require additional internal staff and access to external legal and consulting services over the forecast period.

Question(s):

a) Please provide a cost breakdown for each underlying driver (i.e. additional FTEs, funding requirements for LEAP, etc.) for the historic period and the forecast period from 2027-2031.

b) Please provide the budget that Elexicon Energy has included for access to legal and consulting services in the forecast period and provide further explanation for this forecast.

c) Please discuss the expected productivity savings and state how many FTEs are expected to be reduced/saved due to Dx NEXT and contrast this with the FTEs that are expected to be added.

RESPONSE:

a) Table 1 below sets out the Regulatory segment cost breakdown and aligns with the revised Appendix 2-JC, which incorporates 2025 actuals and is attached to the response to 1-SEC-13. The change in labour costs from 2026 to 2027 reflect the permanent allocation of staff already hired to support the rebasing application who will transition to the Regulatory Affairs segment following its completion (Exhibit 4 - Tab 1 - Schedule 6 - page 52).

Table 1: Regulatory Segment Cost Breakdown (\$000's) ¹

Years	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Labour	614.3	569.7	440.9	719.1	1,074.4	1,138.5	1,124.8	1,527.5	1,793.5	1,835.8	1,887.8	1,934.1
Non-Labour Costs:												
Legal and Consulting	26.5	94.4	92.6	1,245.2	353.7	686.6	582.9	432.0	440.6	449.5	458.4	467.6
OEB S.30 Costs	-	28.4	9.8	-	22.3	23.9	64.2	40.8	41.6	42.4	43.3	44.2
OEB Intervenor Costs	-	36.7	35.6	212.3	15.2	-	50.0	15.3	15.6	15.9	16.2	16.6
OEB Cost Assessments	690.2	669.3	744.7	835.6	966.7	1,069.9	1,003.4	1,003.4	1,003.4	1,003.4	1,003.4	1,003.4
LEAP	88.4	89.4	88.9	88.9	241.6	389.9	324.2	330.5	337.1	343.8	350.7	357.7
Other	60.4	129.4	28.2	15.0	11.4	19.5	16.5	30.6	31.2	31.8	32.4	33.1
Regulatory One-Time Cost	-	-	-	-	-	-	-	1,575.1	1,575.1	1,575.1	1,575.1	1,575.1
Total	1,479.7	1,617.3	1,440.6	3,116.1	2,685.3	3,328.3	3,166.0	4,955.1	5,238.2	5,297.7	5,367.4	5,431.7

b) The total legal and consulting costs for 2027-2031 in the Regulatory Affairs non-labour OM&A forecast is approximately \$450k/year, as shown above in Table 1. This includes costs for load forecasting support, developing and supporting Elexicon's annual update applications for its custom rate framework, legal advice on applications and compliance matters, and other requirements such as Service Area Amendments or litigation matters.

c) Please refer to Exhibit 4 - Tab 1 - Schedule 6 - pages 50 – 51 for explanation of the process improvements anticipated following the implementation of Dx NEXT. In the post-merger period, Elexicon has faced a growing volume and complexity of regulatory and policy obligations and the regulatory segment has taken on a larger role to support the activities of the larger organization, as discussed in Exhibit 4 - Tab 1- Schedule 6 - pages 47 – 48. Anticipated process improvements from Dx NEXT will alleviate the growth of existing work volumes and permit existing staff to focus

¹ Numbers may not sum due to rounding.

1 on incremental work requirements expected from policy, compliance, reporting, and application-
2 related matters in the forecast period. Due to the growth of the work volumes and complexity in
3 Regulatory Affairs, Elexicon requires additional regulatory resources in the forecast period, even
4 after the efficiencies from Dx NEXT are taken into account.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 4-STAFF-124

People and Culture

Ref 1: Exhibit 4 / Tab 1 / Schedule 6 / p. 31 (PDF p. 218)

Ref 2: Appendix 2-JB and 2-JC

Preamble: OEB staff notes that costs for People and Culture will have increased by \$4.8M or 69% from 2020 to the 2027 test year and will increase a further 8% by 2031.

Question(s):

a) Please provide a cost breakdown showing the various drivers (i.e. additional FTEs, etc) for the historic period and the test period from 2027-2031

b) Provide further details regarding the external resources cost driver.

c) Please discuss any productivity savings due to Dx Next and provide a calculation showing the savings.

RESPONSE:

a) Please refer to the response in 4-CCC-52 Part a).

b) The discussion of cost drivers associated with the response to 4-CCC-52 a) noted above can be found in Exhibit 4 – Tab 1 -Schedule 6, Section 3 pages 25-28.

c) Elexicon does not expect that the People and Culture segment will incur incremental savings as a result of productivity gains from Dx NEXT. However, as it pertains to the typical activities of this segment, the investment in Dx NEXT is expected to increase productivity for HR-

1 related processes such as recruitment, payroll, certification and safety training, as well as
2 planning. The enhanced functionality through this technology investment will enable the
3 segment to manage increasingly complex work in larger volumes with a lean team.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 4-STAFF-125

Finance Ref 1: Exhibit 4 / Tab 1 / Schedule 6 / p. 37 - 38 (PDF p. 224 - 225)

Ref 2: Appendix 2-JB and 2-JC

Preamble:

OEB staff notes that cost for the 2027 test year for Finance increased by 35% over 2020 and is expected to rise a further 15% by 2031 primarily due to the addition of staff.

Elexicon Energy states that while Finance will need to add additional staff in the 2027 to 2031 period to accommodate a larger and more complex workload, the capabilities provided by Dx NEXT will enable Elexicon Energy to avoid the need for six positions that would otherwise have been required during this period.

Question(s):

a) Please state how many FTEs will be added and provide expected year of hire, title and position.

b) Please provide a more detailed explanation of each position added.

c) Please discuss the expected productivity savings due to the implementation of the Dx NEXT project and provide the calculation showing how these savings were derived.

d) Please elaborate on the six positions that are expected to be reduced/saved due to Dx Next and contrast this with the FTEs that are expected to be added.

1 **RESPONSE:**

2 a) Please refer to the response in 4-Staff-103 part a). Note that Table 1 in that response is
3 broken out by Elexicon division rather than by segment. In the case of Finance the two
4 units are analogous.

5
6 b) The Financial Reporting Analysts are being added to address the growing scale, pace, and
7 volume of the financial reporting and the tax requirements, with significant efforts needed
8 with respect to the implementation of new IFRS standards and regulations and the
9 associated impacts on financial processes, controls, and reporting to the Board, investors,
10 and other stakeholders. A more detailed description of this work is found in Exhibit 4 – Tab
11 1 – Schedule 6, page 35-36, section 4.3.3 and the last paragraph of 4.3.4.

12
13 The Capital Asset Analyst and Accounting Analyst are being added as a result of the
14 increasing capital investments requirements and externally driven recoverable projects. This
15 growth comes with increased volumes of related transactions, further described in Exhibit 4
16 – Tab 1 – Schedule 6, page 34, section 4.3.1. Please also refer to the response provided in 4-
17 CCC-53, part b).

18
19 The two additional Financial Planning & Budgeting Analysts are required to support the
20 organization's ability to meet a rapidly increasing volume and complexity of financial
21 planning, reporting and analysis requirements, as described in Exhibit 4 – Tab 1 – Schedule
22 6, pages 34-35, section 4.3.2. Demand for support in financial planning and budgeting
23 continues to grow across divisions and departments, as well as from senior leadership and
24 the Board of Directors, while reporting timelines will become significantly compressed,
25 driven by debt market compliance requirements. For further explanation of the drivers
26 please refer to the response provided in 4-VECC-45 part a). These roles will directly integrate
27 into financial processes and proactively partner with business units to provide forward-
28 looking insights, ensure fiscal discipline and enable informed decision-making as the
29 organization continues to grow.

1

2

3

4

5

6

7

8

9

10

11

12

13

These additional finance positions are paced over several years to align staffing growth with the anticipated timing of external drivers and the gradual increase in workload and organizational complexity, while allowing costs to be absorbed sustainably within the operating budget. This approach also provides flexibility to assess evolving needs and ensure roles are added at the appropriate time rather than ahead of demand.

For additional description of work related to these departments refer to the response provided in 4-VECC-45 part a).

c) Please refer to the response in 4-CCC-51 j).

d) Please refer to the response in 4-CCC-51 j).

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 4-STAFF-126

Finance Ref 1: Exhibit 4 / Tab 1 / Schedule 6 / p. 38 (PDF p. 225)

Ref 2: Appendix 2-JB and 2-JC

Preamble: On page 38, Elexicon Energy notes that the increase of \$1.66M during the bridge and test period (2025-2027) also reflects lower labour capitalization, as resources were temporarily redirected toward regulatory support, such as the incremental capital module (ICM) filed as part Elexicon Energy's 2026 rate application.

Question(s):

a) Please explain what portion of labour allocated to the Finance or the Regulatory Affairs department was capitalized and why.

RESPONSE:

a) With respect to the Finance segment, the labour hours redirected toward regulatory support were booked into the Finance department. In 2024 and 2025, 14% of labour was capitalized each year, and this percentage increases to 21% and 19% in 2026 and 2027 respectively. These capitalized labour hours are reflective of the involvement of Finance staff from project initiation to completion including capitalization of assets, review and analysis of capital projects with operational teams.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 4-STAFF-127

Stakeholder Relations

Ref 1: Exhibit 4 / Tab 1 / Schedule 6 / p. 59 (PDF p. 246)

Ref 2: Appendix 2-JB and 2-JC

Preamble: OEB staff notes that costs for Stakeholder Relations will have increased by \$1.3M or 76% in the 2027 test year over 2020 and are expected to rise a further 15% by 2031.

Question(s):

a) Please provide a breakdown for each underlying driver (i.e. additional FTEs etc.) for the historic period and the forecast period from 2027-2031.

b) How much of the 2027 budget is allocated to communication requirements during outages and weather events as per the 2025 DSC amendment.

c) Please explain the need for additional staff in 2027-2031 in greater detail given a 76% increase for this cost driver by 2027.

d) Please quantify the incremental cost savings for external vendors by bringing the function of the department in-house for the 2027 - 2031 test period (not sustained savings).

i. Provide any assumptions used and show the calculations in how this amount was derived at.

ii. Please contrast the savings with the cost increases in the 2027 test year and the 2028 - 2031 test period.

RESPONSE:

a) The underlying cost drivers for the Stakeholder Relations segment has been divided into labour (FTEs), external consulting, and non-labour operating costs.

Table 1: Stakeholder Relations Segment Cost Breakdown

	Actual						Forecast					
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Labour	0.57	0.66	0.84	0.71	0.92	0.86	0.93	0.98	1.19	1.42	1.46	1.50
External Services And Consulting	0.01	0.16	0.57	0.44	0.25	0.24	0.32	0.43	0.44	0.45	0.46	0.47
Other Non-Labour	-0.17	0.08	-0.00	0.06	0.18	0.22	0.26	0.29	0.30	0.31	0.31	0.32
Total Costs	0.40	0.90	1.41	1.21	1.34	1.32	1.51	1.71	1.93	2.18	2.23	2.28

Labour is the primary driver of costs for this function as the team, which did not exist prior to the merger, was established. Elexicon increased staffing in this segment by four FTEs. These additions reflect the transition from a largely outsourced model pre-merger to an internal team capable of delivering core communications, stakeholder engagement, and advocacy functions. A description of the roles added is provided in 4-CCC-57 e). Two new positions will be added to address growing work requirements in 2028 and 2029 which cannot be absorbed within the existing staffing compliment. This is discussed in part c).

b) The costs associated with communications during outages and weather events are primarily the associated labour hours of staff. While these activities are essential to meeting evolving customer and stakeholder expectations, associated costs are not tracked separately by communication type and extend beyond outage-related needs to broader customer and stakeholder communications. Rather, they represent a growing workload that, combined with other drivers, must be absorbed by existing and forecast headcount.

The DSC amendments, along with customer expectations, have increased requirements for timely, frequent, and multi-channel communications. This includes more proactive outreach before, during and after an outage or weather event, real-time updates across digital platforms, increased coordination with municipal and provincial stakeholders, and more direct engagement with critical customers. These requirements represent a material shift from past practices, where communications were more limited in frequency and channels. Meeting these expectations requires additional staff time, extended coverage (including evenings and weekends), and more

1 specialized resources to manage high volumes of inquiries and provide consistent, accurate
2 updates. Between outages, these requirements require utilities to develop and maintain
3 processes to ensure compliance with requirements (e.g. training), develop and maintain
4 templates for communication, ensure lists of critical customers are up to date and that ongoing
5 relationships are maintained with key stakeholders so that points of contact are known and
6 established during major events.

7
8 c) The increase in staffing over the 2027–2031 period reflects growth in required activities which
9 cannot be accommodated within the existing staffing complement. See response 4-CCC-55 for a
10 description of the growing demand on stakeholder relations. The impacts of outage
11 communications are discussed in b) above. Elexicon also anticipates growing needs for external
12 communications to respond for increasing preferences towards digital means of communication
13 with customers (e.g. website and social media) and internal communications to support change
14 management as Elexicon increases in scale to meet the investment needs of the communities it
15 serves.

16
17 d) Elexicon had already insourced areas of the stakeholder relations program (e.g. social media, web
18 hosting and content management) prior to 2027. As such there are no incremental cost savings
19 for 2027-2031 beyond the sustained savings that were already achieved and are embedded in the
20 existing costs. The increases to headcount for this function are related to the workload in this
21 area which has increased over time, and which is anticipated to grow over the test period. If this
22 work were to be delivered using external vendors, costs would be expected to increase materially.
23 By bringing the function in-house, Stakeholder Relations is able to manage this increased
24 workload within existing and planned internal resources, avoiding the higher costs associated with
25 additional external vendor support. As a result, the in-house model represents a cost-effective
26 approach relative to a vendor-delivered model. The expanding level of engagement across all
27 stakeholders, including government and customers, is driving the need to increase the capabilities
28 of the Stakeholder Relations team.

1 i) Assumptions made while planning the needs for Stakeholder Relations are based upon recent
2 trends in workload as well as qualitative assessments of future demand. These are articulated in
3 section 7.3 of Exhibit 4 - Tab 1 - Schedule 6. For example, the heightened level of policy activity
4 experienced over the recent years is anticipated to continue. Other factors driving increased
5 workload (e.g. increasing trend of escalations) are described in response to 4-CCC-55. In order to
6 properly complete the required work at the current level and meet growing demands, the two
7 new FTEs will help keep pace.

8
9 ii) While costs are forecast to increase over the 2027–2031 test period due to higher workload
10 and expanded requirements, these increases are partially offset by the savings associated with
11 delivering the work in-house. If more vendors were used as they were previously in the historical
12 periods, costs would be expected to rise more significantly in line with the increased volume of
13 work and external rates. By contrast, having functions in-house allows Stakeholder Relations to
14 absorb additional workload more efficiently within internal resources. While total costs increase
15 over the test period due to expanded communications requirements, in-house delivery remains
16 more cost-effective than external alternatives. External vendor models typically involve hourly or
17 project-based billing, including premium rates during emergency events, which can escalate
18 quickly given the need for frequent updates, extended hours, and rapid response.

19
20 By contrast, internal resources provide dedicated capacity at a fixed, fully loaded cost, allowing
21 for continuous coverage and responsiveness without incremental charges for each
22 communication activity. Based on typical vendor rate structures and the volume of activity now
23 required, outsourcing these functions would be expected to result in materially higher costs.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 4-STAFF-128

Legal and Corporate Secretariat

Ref 1: Exhibit 4 / Tab 1 / Schedule 6 /p. 52 (PDF p. 239)

Ref 2: Exhibit 4 / Tab 1 / Schedule 6 / p.59-68 (PDF p. 246-255)

Ref 3: Exhibit 4 / Tab 3 / Schedule 1 / p. 1

Ref 3: Appendix 2-JB and 2-JC

Preamble:

OEB staff notes that Elexicon Energy's 2027 costs for its legal and corporate secretariat have increased by \$4.33M or 63% since 2020 and are expected to rise a further 19% over the Custom IR term.

In Ref 1 Elexicon Energy states that one-time regulatory cost are included in the regulatory affairs cost driver.

On p. 59 Elexicon Energy notes that several functions reside within this segment including legal services, privacy, information management, enterprise risk management, insurance administration, internal audit and governance.

Question(s):

a) Please provide a cost breakdown and driver (i.e. additional staff, insurance premiums, directors fees, president's office etc.) for each of the functions that reside within this segment for the 2027 test year and the 2028 - 2031 forecast period.

i. Please provide all underlying assumptions for each function.

b) Please confirm that the legal fees in the amount of \$1.33M, incurred for this application, are not included in this segment and are incremental to legal service described under this segment.

1 c) Please explain how the move of the CEO's office from Elexicon Energy to Elexicon Corporation has
2 impacted this cost driver.

3 i. Please explain why the office of the CEO has been moved out of Elexicon
4 Energy since Elexicon Energy notes that the EC is now focused on the regulated business since EG ceased
5 to exist in early 2025.

6 d) Please explain any synergy savings relevant for this cost driver.
7
8
9
10

11 **RESPONSE:**

12 a) Please refer to the response to 4-CCC-56 a) and b) for a table presenting costs by function, and
13 details of non-labour cost drivers for each function. Please refer to the response at 4-Staff-103 for
14 details around additional staff.

15 i. Please refer to the response to 4-CCC-56 a) and b) for discussion of the underlying
16 assumptions. Further discussion of drivers and assumptions can be found in Exhibit 4 -
17 Tab 1 - Schedule 6 - sections 8.3 and 8.5.
18

19 b) Confirmed.
20

21 c) The move of the CEO's office from Elexicon Energy to Elexicon Corporation has not materially
22 impacted this cost driver. The costs previously that would have been incurred under Elexicon
23 Energy are now incurred by the holding company and are allocated back to Elexicon Energy in a
24 manner compliant with the Affiliate Relationships Code.

25 i. The Office of the CEO has moved from the regulated entity (Elexicon Energy) to the
26 holding company (Elexicon Corporation) to simplify the executive reporting structure. The
27 executive officer role is now shared between the holding company and the utility, while
28 the regulated utility continues to operate with an executive leadership team responsible
29 for day-to-day utility operations. The Office of the CEO is appropriately situated at the

1 holding company level to reflect how the organization is financed, overseen, and
2 managed as an integrated enterprise, and rating agencies assess the creditworthiness of
3 the organization on a consolidated basis.

4 In this context, where the utility constitutes the sole operating business of the holding
5 company, locating the CEO function at the holding company level is both logical and
6 practical. It provides clear accountability and line-of-sight across the full corporate,
7 financial, and regulatory profile of the organization, while allowing utility operations to
8 be managed day-to-day by a dedicated executive leadership team focused on regulated
9 activities. This structure supports the operational independence of the utility and aligns
10 with OEB expectations regarding effective governance and the protection of ratepayer
11 interests. The placement of the Office of the CEO at the holding company level is also
12 consistent with the OBCA, which contemplates senior officers acting in the best interests
13 of the corporation as a whole while permitting operational responsibilities to be
14 appropriately delegated within subsidiary entities.

15
16 d) Please see CCC-05 for a breakdown of merger synergies by segment. The synergies achieved in
17 the Legal and Corporate Secretariat segment were related to:

- 18 • Avoided costs from establishing duplicative ERM, privacy, and information management
19 functions at both utilities in response to evolving regulatory requirements (e.g. OEB
20 cybersecurity framework) and a changing risk profile;
- 21 • MEARIE insurance premiums for a single combined entity, rather than two separate
22 entities;
- 23 • Costs of memberships for industry associations (e.g. EDA) for a single combined entity,
24 rather than two separate entities; and
- 25 • Reductions in governance costs through the consolidation of two Boards of Directors in
26 one which resulted in an overall reduction in the number of directors.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 4-STAFF-129

Legal and Corporate Secretary

Ref 1: Exhibit 4 / Tab 1 / Schedule 6 / p.48 (PDF p. 235)

Ref 2: Exhibit 4 / Tab 1 / Schedule 6 / p.59-68 (PDF p. 246-255)

Ref 3: Appendix 2-JB and 2-JC

Preamble:

Elexicon Energy states that over the forecast period, this segment anticipates that the vendor management system being implemented in 2027 as part of the Dx NEXT project will improve the internal team's productivity by streamlining procurement and contract compliance, enabling risk assessments and vetting processes, and facilitating standard forms and documentation.

On p. 66, Elexicon Energy also mentions avoided costs by reducing reliance on expensive external resources.

Question(s):

a) Please provide the annual incremental productivity savings (not sustained savings) per year for the 2027 to 2031 period.

b) Please explain how productivity savings have been calculated and how they affected this cost driver year-over-year.

1 **RESPONSE:**

2 a) and b) Elexicon does not expect that the Legal and Corporate Secretariat segment will
3 incur incremental savings as a result of productivity gains from Dx NEXT. Rather, the
4 efficiency gains from process automation, streamlined procurement and contract
5 compliance, improved risks assessment workflows and standardized documentation will
6 enable the segment to manage increasingly complex volumes of work with a lean team. As
7 discussed in Exhibit 4 - Tab 1- Schedule 6, pages 63-64, work volumes within this segment
8 have grown and will continue to grow due to the increasing scale of the utility's operations
9 in a complex and demanding operating landscape with increasing legal, cyber security,
10 governance and privacy obligations. The new capabilities that Dx NEXT provides the Legal
11 and Corporate Secretariat segment will enable the segment to manage this growth with
12 fewer incremental resources than would otherwise be needed over the rate period.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 4-STAFF-130

One-Time Regulatory Costs

Ref 1: Appendix 2-M

Question(s):

a) Please update Appendix-2 M for 2025 Actuals and 2026 forecasted costs, if necessary.

b) For each line item in Appendix 2-M provide the underlying assumptions/drivers to determine the application related costs.

c) Please provide a breakdown of the individual consultant costs included in one-time regulatory costs.

RESPONSE:

a) An updated version of Appendix 2-M has been provided as an excel attachment to this response.

b) **Table 2: Assumptions/Drivers related to Application Costs in 2-M**

Type of Application Cost	Assumption/Driver
Expert Witness Costs	Hours for preparation activities and participation in technical conference/oral hearing
Consultant Costs	Varies per consultant, and is driven by the nature of the support required, and scope of work. Cost estimates for the production of specific reports for application are typically milestone-based costs. Support during stages of application post-filing is typically time-based.

Legal Costs	Time-based. Assumes the application may be subject to full oral hearing.
Intervenor Costs	Informed by past applications.
Internal staff costs	Includes only employees fully seconded to application. Includes three full-time employees.

1

2

3

4

5

- c) In Table 3 below, Elexicon has provided details of consulting costs related to its rebasing application broken down by the type of support required, in addition to an estimate of the portion of total consulting costs for each type.

Table 3: Application Consulting Costs by Type of Consultant (2024 to 2026)

Type of Consultant	Description	Total Cost Estimate (\$) (2024 to 2026)
Expert Consultants	Innovative (Customer Engagement) Mercer (Compensation) Clearspring (Total Cost Benchmarking)	1,130,000
Application Support	Assistance with preparation of application (prefiled exhibits, interrogatories, undertakings etc.), witness preparation.	1,119,000
DSP-related Application support	Application support related to DSP (asset management, non-wires, facilities, etc.) – preparation of application, interrogatories, undertakings.	2,511,000
Administrative/Technical support	Data/software application support for financial and metering information. Certain legacy systems require technical support to build and extract data and build reporting necessary for satisfying filing requirements. (Prophix etc.)	51,500

6

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 4-STAFF-131

Shared Services and Corporate Cost Allocation and Other Revenue

Ref 1: OEB App.2-H_Other Operating Revenue

Ref 2: OEB App.2-N_Shared Services and Corporate Cost Allocation

Ref 3: Exhibit 4 / Tab 3 / Schedule 7 / p.7 (PDF p. 414) / Table 4 & 5

Ref 4: Ch. 2 of the Filing Requirements for Electricity Distribution Cost of Service Rate Application - 2025
Edition for 2026 Rate Application, p. 44

Preamble:

The 2026 Filing Requirements state that the balances recorded in Account 4375, Revenues from Non Rate-Regulated Utility Operations, and Account 4380, Expenses of Non Rate-Regulated Utility Operations, must reconcile to the balances recorded in Appendix 2-N - Shared Services and Corporate Cost Allocation for the three historical years, the bridge year and the test year. Any difference must be reconciled.

Question(s):

a) OEB staff notes that the Services provided by Elexicon Energy (\$M) in Reference 3 do not align with the amounts shown in Reference 2. Specifically, Reference 3 does not include Finance services provided by EE to EEU for each year. Please explain why the Finance services from EE to EEU are not included as services provided by Elexicon Energy in Reference 3. Please update the Appendix 2-H and Appendix 2-N as necessary.

b) Please explain what types of work are included under the Non-Rate Regulated Utility Operations and costs for Non-Rate Regulated Utility Operations in Reference 3.

c) Reference 3 shows the revenue for Non-Rate Regulated Utility Operations is \$7.81M, and costs for Non-Rate Regulated Utility Operations is \$8.07M in 2020.

Please explain why the revenue and costs for Non-Rate Regulated Utility Operations in 2020 vary by

1 more than \$7M compared to other years.

2 d) Please expand Table 4 and Table 5 in Reference 3 to include a detailed
3 breakdown of which services are provided and the amount allocated to each service for the years 2020
4 through 2031.

5
6
7 **RESPONSE:**

8 a) Please note reference 3 should state Exhibit 4 - Tab 3 - Schedule 1 – page 7 (PDF page. 414) / Table
9 4 & 5 (not schedule 7).

10 The Finance services provided by EE to EEU are recorded in 4390. These services relate to finance
11 support provided to EE's non rate-regulated joint venture operations. While Account 4390 is not
12 part of 4375, it has been included in Appendix 2-N due to its related nature. An updated Appendix
13 2-N is provided in Excel file 4-Staff-131(1)_OEB App.2-N Shared Services and Corporate Cost
14 Allocation. In this revised version, the percentages of corporate cost allocations for 2021 to 2031
15 have been corrected. The originally filed Appendix 2-N calculated percentages using 2020
16 corporate costs as the denominator for all years; this has now been revised to use the appropriate
17 costs for each respective year. The total dollar amounts allocated remain unchanged, except for
18 2025, which has been updated to reflect actuals. In addition, the sign conventions
19 (negative/positive) in Table 5 have been corrected for 2021 and 2022.

20
21 b) The Non-Rate Regulated Utility Operations includes revenue from conservation and demand
22 management (CDM) as well as solar generation activities.

23
24 c) The increased revenue in 2020 is largely driven by CDM funding received and corresponding costs
25 incurred. The related activities had been wound down in the following years after the programs
26 ended.

27
28 d) Please see 4-Staff-131(2)_Exhibit 4-3-1-Reconciliation-Table 4 & 5 for a breakdown of the services
29 in 4375, 4390, and 4380, which aligns with revised Appendix 2-H filed as Excel file 1-SEC-13_OEB

1 App.2-H Other Operating Revenue, which incorporates the 2025 update and 2027-31 LPC. The
2 revenue for the services provided by EE are in 4375 and 4390 with corresponding costs in 4380
3 with the exception of Information Technology costs. Between 2020 to 2023, while EG was fully
4 active, the IT costs were not allocated to 4380 even though the corresponding revenue is allocated
5 to 4375.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 5-STAFF-132

Notional Debt

Ref 1: EB-2024-0063, Cost of Capital Decision, March 27, 2025, p. 65

Ref 2: Exhibit 5-1-2 OEB App.2-OA Capital Structure

Question(s):

a) Please revise Appendices 2 - OA Capital Structure to show the Capitalization Ratio (% and \$), Cost Rate (%), and Return (\$) of both Notional Long-term Debt and Actual Long-term Debt. Please ensure the average of the Notional Long-term Debt and Actual Long-term Debt matches the Revenue Requirement Workform.

RESPONSE:

As shown in Appendix 2 – OB, Elexicon does not forecast long-term debt amounts which are less than 56% of rate base in the 2027 test year. As such, Elexicon does not have any Notional Long-Term Debt to include in Appendix 2-OA.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 5-STAFF-133

Shareholder Promissory Note

Ref 1: Exhibit 1 / Tab 4 / Schedule 1 / p. 3 (PDF pp.78)

Ref 2: Appendix 2-OB Debt Instruments

Preamble:

In Reference 1, Elexicon Energy indicates that the shareholders have agreed to convert \$62M of their debt as contained in promissory notes into equity, forgoing predictable guaranteed interest payments to support Elexicon Energy's balance sheet.

Reference 2 shows that Elexicon Energy's shareholder promissory notes have a principal amount of \$71,925,942 as of 2024, and a principal amount of \$17,974,000 as of 2025.

Question(s):

a) What would be the impact on ROE, expressed in basis points, resulting from the conversion of \$62M of debt into equity?

b) Please provide the achieved 2025 ROE, or an estimate, if available.

c) What would be the impact on actual debt-to-equity ratio due to this conversion?

Please provide the actual debt-to-equity ratio before and after the conversion.

d) What would be the impact on Cash Flow-to-Total Debt Ratio, resulting from the conversion of \$62M of debt into equity?

e) Please confirm whether any resulting financial impacts from this conversion would be borne by ratepayers. If yes, please quantify the financial impact.

f) As noted in the Preamble, the change in the principal amount of the shareholder promissory note between 2024 and 2025 is \$54M, which does not align with the \$62M converted debt figure provided by Elexicon Energy. Please explain the

1 difference and reconcile Reference 2 as needed.

2
3
4
5
6 **RESPONSE:**

7 a) Regulated ROE is calculated on a deemed capital structure rather than based on actuals. Therefore
8 the conversion of debt to equity has no impact on regulated ROE.

9
10 b) Achieved regulated ROE for 2025, as reported in Elexicon's RRR filing is 3.81%.

11
12 c) The actual debt to equity ratio decreased from 1.80 to 1.25 due to conversion of debt to equity.

13
14 d) Cash Flow-to-Total Debt Ratio is defined by Cash flow from Operations to Total Debt. The
15 conversion of \$62M of debt into equity resulted in an approximately 2.8% increase of this ratio.

16
17 e) Elexicon confirms that there are no resulting financial impacts from this conversion that would be
18 borne by ratepayers. The transaction improves Elexicon's financial and borrowing metrics which
19 will benefit ratepayers in the long-term through lower borrowing costs, all other things equal.

20
21 f) There were promissory notes at both the Elexicon Energy and Elexicon Corporation level with the
22 municipal shareholders as well as promissory notes between Elexicon Energy and Elexicon
23 Corporation, as Elexicon Energy's shareholder. The total amount of promissory notes redeemed
24 from both entities by municipal shareholders and injected as equity was \$62M.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 5-STAFF-134

Affiliated Debt

Ref 1: Appendix 2-OB Debt Instruments

Preamble:

Reference 1 indicates that Elexicon Energy has an intercompany loan from Elexicon Corporation at a 4.58% rate, starting in 2024.

Question(s):

a) Please confirm whether the costs associated with this affiliated debt are passed on to Elexicon Energy on the same terms and conditions as Elexicon Corporation receives from the external markets.

b) Please confirm whether there is any issuance costs levied on this affiliated debt.

If yes, please explain the calculation methodology used to determine the issuance costs.

RESPONSE:

a) This affiliated debt is not sourced by Elexicon Corporation from external markets, rather, the source was from Elexicon Corporation cash reserves.

b) There is no issuance costs levied on this affiliated debt.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 5-STAFF-135

Third Party Interest Rate Swap Loan

Ref 1: Appendix 2- OB Debt Instruments

Preamble:

Reference 1 indicates that Elexicon Energy entered into two interest rate swap loans with TD beginning in 2023, with interest rates of 4.84% and 5.096%, respectively. These loans were subsequently transferred to RBC in 2026, at higher interest rates of 4.92% and 5.176%.

Question(s):

a) Please explain why Elexicon Energy would choose to terminate these two interest rate swap loans before maturity and transfer to RBC at higher interest rates.

b) Please provide the total costs associated with this debt transfer, including a detailed breakdown of all related expenses.

c) Please confirm whether the costs associated with transferring these two loans have been recorded under Other Revenue.

RESPONSE:

a) To clarify, Elexicon has not terminated the swap. The underlying TD loan associated with the swap was already set to expire in 2026. In securing a replacement debt instrument and in consideration of future investment requirements, Elexicon transferred the underlying loan under syndication agreement led by RBC. Elexicon was approaching the limits of its borrowing with TD and required additional financing for future investments. In order to obtain access to additional capital financing, Elexicon leveraged the syndication structure as the most appropriate instrument for its circumstances. The syndication structure

1 provided access certainty to the financing required, reduced execution and refinancing risk
2 and lowered overall transaction costs by consolidating documentation under a single
3 lender group with one primarily legal process, as opposed to multiple bilateral agreements.
4 This also reduces administrative burden, otherwise required with other arrangements. The
5 forecast cost in Reference 1 has been updated to reflect current market conditions in 5-
6 VECC-50.

7
8
9 b) There were two fees associated with this debt set up and transfer:

10 1. Administration fees - \$50,000

11 2. Legal fees - \$225,000

12
13 c) Not confirmed. All fees were booked in OM&A, under the Common Corporate program, in
14 the Finance Segment.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 5-STAFF-136

Return on Equity (ROE)

Ref 1: Exhibit 1 / Tab 4 / Schedule 1 / pp.2-3 (PDF pp.77-78)

Preamble:

Elexicon Energy states its ROE has fallen out of the OEB's 300 basis point deadband since 2022, and it does not have the ability to further fund spending requirements that continue to increase as its deferred rebasing period proceeds.

Question(s):

- a) What are the main drivers of the further fund spending requirements mentioned in Reference 1?
- b) Please provide the amount of annual funding shortfall between 2022 to 2024.
- c) Why would Elexicon choose to defer its rebasing period despite experiencing a funding shortfall?

RESPONSE:

a) Main drivers of the spending requirements mentioned in Exhibit 1 - Tab 4 - Schedule 1 include:

- load growth and system expansion;
- system renewal requirements to address asset condition and declining reliability performance;
- required investments in grid modernization to address system reliability challenges, improve efficiency of operations and enable changing customer preferences (e.g. DER); and

- expansion of operational capacity to support a growing capital program, cyber security and IT functions, and additional compliance obligations from evolving regulatory requirements that push OM&A beyond merger-based forecasts.

Capital drivers are discussed further in Exhibit 2B - Tab 1 - Schedule 1 and OM&A drivers are discussed further in Exhibit 4 - Tab 1 - Schedule 1.

b) Tables 1 and 2 in Appendix A of Exhibit 1 - Tab 4 - Schedule 1 show the annual funding shortfall for OM&A and capital, respectively, in each year between 2020 to 2026.

c) The circumstances in Exhibit 1 - Tab 4 - Schedule 1 did not exist at time of merger when the deferred rebasing period was selected and approved.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 5-STAFF-137

Cash Flow-to-Total Debt Ratio (%)

Ref 1: Exhibit 1 / Tab 8 / Schedule 1 / Attachment 5 (PDF p. 1054)

Preamble:

Elexicon Energy provides its Cash Flow-to-Total Debt Ratio in Reference 1, as shown below:

Financial Information

	For the Year Ended December 31			
	2024	2023	2022	2021
Cash Flow-to-Total Debt Ratio (%)	7.8	10.5	12.4	15.6
Total Debt in Capital Structure (%)	59.8	57.2	54.4	50.8
EBIT Interest Coverage (Times)	1.44	1.62	2.14	3.17

Question(s):

- Please provide Elexicon's 2025 and 2020 Cash Flow-to-Total Debt Ratio.
- Please provide the supporting calculation of Elexicon's Cash Flow-to-Total Debt ratio from 2020 to 2025 to assess trends in cash flow and debt levels.
- Has Elexicon conducted any analysis comparing its Cash Flow-to-Total-Debt ratio, or other leverage metrics, with those of peer companies in Canada? If so, please provide the analysis.

RESPONSE:

- Elexicon Corporation's cash-flow-to-total debt ratio is provided in Ref 1 above as the Morningstar DBRS credit rating report is for Elexicon Corporation. There is no separate credit rating report for Elexicon Energy. The 2025 calculations below as well as the supporting calculations for this ratio for the years 2020 to 2025 provided in Figure 1 are for Elexicon Corporation.

1 **Figure 1: 2025 DBRS Credit Rating and 2020-2025 Supporting Calculations**

	*2025	2024	2023	2022	2021	2020
Cash Flow	33,618	29,468	35,973	38,815	40,482	37,918
Debt	365,412	377,797	342,597	313,026	259,502	215,443
Cash Flow-to-Total Debt Ratio (%)	9.2	7.8	10.5	12.4	15.6	17.6

*Note: 2025 calculation is Elexicon management's calculation and may deviate from DBRS calculation yet to be published in 2026.

2

3

4 b) Refer to response above to part a).

5

6 c) While Elexicon does monitor metrics of other utilities for comparators as part of our
7 considerations, Elexicon has not completed a formal analysis of cash flow-to-total debt ratio
8 with peer companies.

1 **RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES**

2

3 **INTERROGATORY 6-STAFF-138**

4

5 Other Revenue

6 Ref 1: Appendix2-H_Other Operating Revenue

7

8 Question(s):

9 a) Please file an updated Appendix 2-H, with 2025 actuals if available. If not
10 available, please file updated Appendix 2-H with a more recent 2025 estimate.

11

12

13

14 **RESPONSE:**

15 Please refer to 1-SEC-13 Attachment 2 for the updated Chapter 2 Appendix 2-H.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 6-STAFF-139

Other Revenue

Ref 1: Appendix2-H_Other Operating Revenue

Ref 2: 2027_Filing_Requirements_Chapter2_Appendices_1.0 and Ch. 2 of the Filing Requirements for Electricity Distribution Cost of Service Rate Application - 2025 Edition for 2026 Rate Application, p. 44

Preamble:

Appendix 2-H - Other Revenue indicates that each account must be broken down in more detail, showing the components of each account.

Question(s):

a) Please provide breakdown details of each account below:

- Account 4082 Retail Services Revenues
- Account 4084 Service Transaction Requests Revenues
- Account 4086 SSS Administration Revenue
- Account 4210 Rent from Electric Property
- Account 4305 Regulatory Debits
- Account 4310 Regulatory Credits
- Account 4335 Profits and Losses from Financial Instrument Hedges
- Account 4355 Gain on Disposition of Utility and Other Property
- Account 4398 Foreign Exchange Gains and Losses, Including Amortization
- Account 4405 Interest and Dividend Income

1 **RESPONSE:**

2 Please refer to the attached Excel file 6-Staff-139(1)_OEB App.2-H Other Operating Revenue-
3 Account Details for the details of the accounts as requested. For complete Appendix 2-H updated
4 with 2025 Actuals, please refer to Excel file 1-SEC-13(2)_ OEB App.2-H Other Operating Revenue.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 6-STAFF-140

Profits and Losses from Financial Instrument Hedges (Account 4335)

Ref 1: Appendix2-H_Other Operating Revenue

Ref 2: Exhibit 6 / Tab 3 / Schedule 1 / p. 5 (PDF p.237)

Preamble:

According to Reference 2, the losses in this account are all because of swapping loans,
and Elexicon Energy intends to hold its swap loan until maturity in 2028.

Question(s):

a) Has Elexicon Energy considered adjusting its financial strategy in light of the
losses noted in Reference 2.

b) There is no revenue recorded in this account from 2029 to 2031. Please confirm
whether Elexicon Energy intends to stop swapping loans until 2031, resulting in no further income
during this period. If not the case, please explain.

RESPONSE:

a) Elexicon is not adjusting its financial strategy considering these unrealized losses. Elexicon
plans to hold the interest rate swap loan until 2028 maturity, when, as noted in Exhibit 6,
Tab 3, Schedule 1, page 5, any unrealized losses will be neutralized by the swap loan maturity
date, restoring the historical balance sheet impacts through equity.

b) Elexicon confirms that, as noted in response to part a), it intends to hold its existing interest
rate swap loans until maturity to 2028. There are no current plans to initiate any new interest

1 rate swap loans, as the organization plans to become a debt issuer in 2027 as part of its
2 financing strategy. However, interest rate swap loans do remain an option as a feasible debt
3 instrument, depending on external factors such as the economic and market environment
4 and will leverage the available tools that are most beneficial to the organization's needs.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 6-STAFF-141

Miscellaneous Non-Operating Income (Account 4390)

Ref 1: Appendix2-H_Other Operating Revenue

Preamble: The other revenue recorded in Account 4390 show an increase of \$0.8M which exceeds the materiality threshold.

Question(s):

a) Please explain the driver of the increase noted in the preamble and provide supporting calculations if needed.

RESPONSE:

The \$0.8M increase in 2023 is mainly due to Swap Gain realized, as noted in Exhibit 6 - Tab 3 - Schedule 1, page 5, lines 8- 11 which was recorded in Account 4390.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 6-STAFF-142

Pole Attachment Revenues (Account 4210)

Ref 1: Exhibit 6 / Tab 3 / Schedule 1 / pp. 3 (PDF p. 235)

Ref 2: Appendix2-H_Other Operating Revenue

Preamble:

Elexicon Energy notes in Reference 1 that Other operating revenues increased from \$1.4M to \$2.1M primarily due to Pole Attachment Revenue being recovered as per established OEB rates in 2027.

Reference 2 shows that the pole attachment revenues are forecast to increase by 1.8% per year from the 2027 to 2031 period which is less than the OEB's current approved 2026 inflation of 3.7%.

Question(s):

a) Please explain whether the increase in pole attachment revenue within Account 4210 in 2027 is solely attributable to OEB approved rate per pole per month.

b) Please provide the supporting calculations used to derive the pole attachment revenue, including the number of poles and rate per pole.

c) Is the Pole attachment revenue in Reference 2 currently a placeholder? Please confirm whether Elexicon Energy will update pole attachment revenues using OEB's approved inflation factor when the information is available.

d) Please confirm whether Elexicon Energy will update the pole attachment revenue for the 2027 to 2031 period annually to reflect the OEB's approved pole attachment charge. If not, please explain why not.

1
2
3
4
5
6
7
8
9
10
11
12
13
14

RESPONSE:

- a) Please refer to 6.0-VECC-64. Prior to 2027, a portion of pole attachment revenues was deferred to Pole Attachment Variance Account (refer to Exhibit 9, Tab 3, Schedule 5). This deferral reflects the difference between the rates used in the last Cost of Service application and OEB-approved rates.
- b) Please refer to 6.0-VECC-64.
- c) and d) Please refer to 1.0-VECC-1. In forecasting its pole attachment revenues Elexicon has already incorporated inflation assumptions as noted in 6.0-VECC-64.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 6-STAFF-143

Interest and Dividend Income (Account 4405)

Ref 1: Appendix2-H_Other Operating Revenue

Preamble: The other revenue recorded in Account 4405 remains at \$50,000 from 2025 to 2031.

Question(s):

a) Please explain the methodology used to forecast Interest and dividend income for 2025 to 2031, and why it remains unchanged. If needed, please provide supporting calculations.

RESPONSE:

The forecast was determined based on normalized historical actuals. The account is composed of financing charges and Interest income from the bank. The historical average for financing charges and interest income is \$10K and \$40K respectively. Higher interest income was recorded in 2023 and 2024 primarily due to a higher average interest rate (5% average due to rising interest rates) and due to maintaining a higher average balance for business requirements. Stricter cash management policies are expected to align the balance of this account to historical values.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 6-STAFF-144

Late Payment Charge Revenues (Account 4225)

Ref 1: Appendix2-H_Other Operating Revenue

Preamble:

The Reference above shows Late Payment Charge Revenues are forecast to increase by 2% per year from 2027 to 2031 period.

Question(s):

a) Please explain the methodology applied for forecasting Account 4225 and provide supporting calculation if needed.

RESPONSE:

- a) The forecast was developed using 2024 actual late payment charge, which were adjusted for an inflationary assumption in 2026 and an annual customer base growth: 2% customer base growth for 2025 plus 3.4% inflation for 2026, 2% customer base growth for 2027 to 2031. 2024 Late Payment Charge value of \$1,466,258 (a) was used to calculate the forecast as shown in Table 1 below. There is an immaterial discrepancy of \$694 for the final 2024 late payment charge figure as shown in Appendix 2-H.

Table 1: Late Payment Charge Forecast Calculations ($a = \$1,466,259$)

Year	Calculation	Calculated Amount
2026	$a \times 1.02 \times 1.034$	1,546,433
2027	Prior year amount plus 2% growth	1,577,362
2028	Prior year amount plus 2% growth	1,608,909
2029	Prior year amount plus 2% growth	1,641,087
2030	Prior year amount plus 2% growth	1,673,909
2031	Prior year amount plus 2% growth	1,707,387

Please refer to the response in 6-VECC-63 for revised late payment charge forecast and the updated Appendix 2-H provided as Attachment 2 in response to 1-SEC-13.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 6-STAFF-145

PILs Model

Ref 1: EE_Exhibit 6-2-1(1)_PILS Workform_20251219

Ref 2: EE_Exhibit 2A-1-1(1)_OEB App.2-AA-AB-BA-BB-C_20251219

Preamble:

OEB staff has compiled a table as below, showing the differences of capital additions between Refs 1 and 2 (before CWIP addition):

Description	2026	2027	2028	2029	2030	2031
Capital additions (Ref 1) (A)	\$ 66,281,504	\$ 61,000,881	\$ 113,817,897	\$ 131,245,668	\$ 121,379,387	\$ 241,524,931
Capital additions (Ref 2) (B)	\$ 43,951,698	\$ 66,301,652	\$ 122,404,973	\$ 137,217,468	\$ 127,905,557	\$ 254,384,924
Variance (B-A)	\$ (22,329,806)	\$ 5,300,771	\$ 8,587,076	\$ 5,971,800	\$ 6,526,170	\$ 12,859,993

Questions:

a) Please reconcile and explain the variances identified in the table above.

b) Please update the evidence if applicable.

RESPONSE:

a) See Table 1 for variance explanations.

Table 1: Variance Explanations

Description	2026	2027	2028	2029	2030	2031
Capital additions (Ref 1)(A)	\$66,281,504	\$61,000,881	\$113,817,897	\$131,245,668	\$121,379,387	\$241,524,931
Capital additions (Ref 2)(B)	\$43,951,698	\$66,301,652	\$122,404,973	\$137,217,468	\$127,905,557	\$254,384,924
Variance (B-A)	(\$22,329,806)	\$5,300,771	\$8,587,076	\$5,971,800	\$6,526,170	\$12,859,993
Variance Explanation						
Net ICM per 2-BA ICM	\$26,462,161					
Adjustment for CCA Tax Purposes						

SR&ED Tax Credits	(\$558,042)	(\$558,042)	(\$558,042)	(\$558,042)	(\$558,042)	(\$558,042)
Borrowing costs capitalization	(\$1,457,798)	(\$2,437,245)	(\$2,497,235)	(\$2,667,472)	(\$3,051,667)	(\$1,763,938)
Capital portion-vehicle amortization	(\$850,518)	(\$1,001,507)	(\$1,188,701)	(\$1,362,896)	(\$1,491,570)	(\$1,570,376)
Capital portion-pension contribution	(\$1,214,533)	(\$1,250,969)	(\$1,288,498)	(\$1,327,153)	(\$1,366,968)	(\$1,407,977)
Capital portion-POEB	(\$42,941)	(\$44,229)	(\$45,556)	(\$46,923)	(\$48,331)	(\$49,781)
Capital portion-sick benefits	(\$8,523)	(\$8,779)	(\$9,042)	(\$9,313)	(\$9,593)	(\$9,880)
Land			(\$3,000,000)			(\$7,500,000)
Total Adjustments for CCA	(\$4,132,356)	(\$5,300,771)	(\$8,587,075)	(\$5,971,800)	(\$6,526,171)	(\$12,859,993)
Final Variance (due to rounding)	(\$0)	(\$0)	\$1	\$0	(\$1)	(\$0)

1

2 b) Not applicable. These adjustments are required as part of the CCA tax calculation.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 6-STAFF-146

Capitalized Interest

Ref 1: Exhibit 6 / Tab 2 / Schedule 1 / pdf p 23

Ref 2: Filing Requirements for Electricity Distribution Rate Applications - 2026 Edition for 2027 Rate Applications - Chapter 2 / Section 2.2.2 / p. 19

Preamble:

In Ref 1, Elexicon stated that interest is not capitalized to construction work in progress (CWIP) for tax purposes, while interest is capitalized for accounting purposes in the 2027 projection. Ref 2 requires distributors to ensure that “continuity statements must provide year-end balances and include any capitalized interest during construction and any capitalized overhead costs.”

Questions:

a) Please confirm whether capitalized interest during construction has been included in the Fixed Asset Continuity Schedule (Appendix 2-BA).

b) If yes, please identify:

i) the annual amounts of capitalized interest included in 2020-2031 by year;

and

ii) where these amounts are reflected in Appendix 2-BA (e.g., capital additions, CWIP transfers, or other adjustments).

c) If capitalized interest during construction is not included in Appendix 2-BA, please explain why and explain whether this treatment was approved by the OEB in Elexicon rate zones’ respective rate applications in the past. If so, please provide details regarding those rate applications.

d) Please quantify the revenue requirement impact on different treatments of the capitalized

interest. In your response, please include the amounts that are not capitalized and variances to identify whether this treatment affects rate base, depreciation expense, return on capital, and/or PILs by year.

RESPONSE:

a) Confirmed, the capitalized costs are part of Appendix 2-BA. Reference 1 relates to tax treatment of capitalized interest which is adjusted as per Income Tax Act requirements. As noted in reference 1, Elexicon capitalizes interest for accounting purposes which is eligible under IFRS (IAS 23 Borrowing Costs) and assesses projects that would qualify for interest capitalization accordingly.

b)

i. See Tables 1 and 2 below for the annual amounts of capitalized interest included in 2020-2031 by year.

Table 1: Annual Amounts of Capitalized Interest – Actuals

Year	2020	2021	2022	2023	2024	2025
Capitalized Interest	203,039	308,250	465,447	807,034	974,514	2,012,749

Table 2: Annual Amounts of Capitalized Interest – Projections

Year	2026	2027	2028	2029	2030	2031
Capitalized Interest	1,457,798	2,437,245	2,497,235	2,667,472	3,051,667	1,763,938

ii. Capitalized interest costs are initially booked to projects in CWIP during the construction stage and then capitalized along with other costs upon completion of the project.

c) Not applicable.

d) Not applicable. Please refer to response a).

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 6-STAFF-147

Tax Credits

Ref 1: Exhibit 6 / Tab 2 / Schedule 1 / pdf p 24

Ref 2: EE_Exhibit 6-2-1(4)_Supporting Schedules_20251219 / tab SR&ED Tax Credits Forecast

Ref 3: EE_Exhibit 6-2-1(1)_PILs Workform_20251219 / tabs B0 PILs /Tax Provision Bridge / T0 2027-2031
PILs /Tax Provision

Preamble:

Elexicon has Scientific Research and Experimental Development (SR&ED) tax credits as discussed in Ref 1. However, OEB Staff notes in the PILs Workform that no investment tax credits or miscellaneous tax credits have been reflected in the calculation of the PILs tax provision, as shown in Ref 3.

OEB Staff also notes Elexicon's statement that it has relied on historical actuals to forecast Federal Apprenticeship Job Creation tax credits of \$0.0 million.

Questions:

a) Please explain why SR&ED tax credits are not reflected in the PILs Workform as investment tax credits or miscellaneous tax credits in the calculation of the 2025-2031 PILs tax provision.

b) Please confirm whether Elexicon has earned any Federal Apprenticeship Job Creation tax credits in the historical period. If yes, please provide the annual amounts that were filed in the actual tax returns.

c) Please update the PILs model as applicable based on the response in a) and b) as applicable.

d) Please update Ref 2 to include actual 2025 data, if available; otherwise, please provide estimated 2025 amounts and calculate a three-year average for 2023-2025.

RESPONSE:

- a) Elexicon has been in a loss carry forward situation since 2022 and the PILs Workform is showing taxes payable in 2030 and 2031 test year. The SR&ED carried forward credits are applied in the test years 2030 and 2031 resulting in zero PILs. Elexicon is not anticipating using these credits in the PILs Workform based on Bill C-15 (please refer to the attachment provided in 6-SEC-88) as test year 2031 is showing a loss carry forward balance to be used in future years.
- b) Please refer to the response in 6-SEC-90.
- c) Please refer to the attachment provided in 6-SEC-88 which shows updated PILS model as per Bill C-15.
- d) As noted in Exhibit 6 - Tab 2 - Schedule 1, Elexicon used the average of SR&ED claimed in previous five years (2020-2024) in Schedule 1 taxable income for 2025-2031. The requested 2025 information cannot be provided as Elexicon has not finalized the SR&ED credit as it relates to tax filings for 2025; this will be finalized in June 2026.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 6-STAFF-148

Tax Loss Carry Forward Balance Adjustment: 1592 Accelerated CCA

Ref 1: Exhibit 6 / Tab 2 / Schedule 1 / pdf p 20 / Table 3

Preamble:

In Ref 1, Elexicon presented tax savings related to accelerated CCA quantified on a cash basis and reported by year.

Questions:

a) Please provide detailed supporting schedules and calculations for the annual tax savings amounts shown in Ref 1 including all assumptions, inputs, and methodology used to derive each year's amount.

b) Please also provide the underlying calculation spreadsheet(s) with formulas redacted demonstrating the numerical linkage between inputs and the reported results.

c) Please file copies of Elexicon's corporate income tax returns for the taxation years 2018 through 2023, inclusive.

d) Please reconcile the tax savings realized on a cash basis as presented in Table 3 to the corresponding amounts reflected in each year's tax return. If applicable, please provide a breakdown of the reconciliation between regulated and non-regulated activities.

RESPONSE:

- a) Please see detailed supporting calculations in Excel file 6-Staff-148(1)_Annual Tax Savings. The tax savings \$3,912,387 in Table 3 are calculated using the statutory income tax rate of 26.5% on the difference between CCA using AIIP vs Non AIIP tax rules. Refer to row 126 of this Attachment for the tax savings calculation.

1 b) Please refer to Excel file 6-Staff-148(1)_Annual Tax Savings.

2
3 c) Please see Attachments 2-10 for 2018 to 2023 Corporate tax returns of Elexicon Energy Inc.,
4 Veridian Connections Inc., and Whitby Hydro.

5
6 d) Please see Excel file 6-Staff-148(1)_Annual Tax Savings. The methodology used for cash tax
7 savings of \$1,352,129 in Table 3 is as follows:

8
9 1. Taxes are first calculated using Non AIIP rules. Refer to row 111 in Attachment
10 1- Annual Tax Savings.

11
12 2. The taxes paid as per the actual return as per row 114 are compared with taxes
13 payable as per Non AIIP rules as per row 111.

14
15 3. The difference between the taxes paid as per row 114 and taxes that would have
16 been payable without AIIP rules is the cash tax savings. Refer row 118 of
17 Attachment 1 - Annual Tax Savings.

18
19 4. As the taxable losses for March 31, 2019 tax returns of the predecessor
20 companies in column C row 118 were carried back to 2016, the cash tax saving
21 is calculated at income tax statutory rate of 26.5% of the difference between
22 CCA with AIIP and Non AIIP rules in row 116.

23
24 With respect to non-regulated activities, Elexicon has installed solar panels on its two office
25 buildings and is a participant in two joint venture operations. The income from these non-
26 regulated activities is negligible. Table 1 includes the 2019-2025 Net Income from these
27 operations.

1

Table 1: 2019-2025 Net Income from Non-Regulated Activities

Year	Net Income (loss) Amounts (CAD)
Apr-Dec 2019	(1,872)
2020	123,840
2021	48,849
2022	110,774
2023	75,897
2024	144,991
2025	129,987

2



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 Veridian Connections Inc.	Enter one of the following: Business number (BN) 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: 6		
100 Contact person for the financial information [Redacted]	105 Telephone number/extension (905) 427-9870	110 Fax number
115 Contact person for the technical information [Redacted]	120 Telephone number/extension (905) 427-9870	125 Fax number (905) 619-0210

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.																																				
<table><tr><td>153</td><td>Names of the partners</td><td>156</td><td>%</td><td>157</td><td>BN or SIN</td></tr><tr><td>1</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>2</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>3</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>4</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>5</td><td></td><td></td><td></td><td></td><td></td></tr></table>	153	Names of the partners	156	%	157	BN or SIN	1						2						3						4						5					
153	Names of the partners	156	%	157	BN or SIN																															
1																																				
2																																				
3																																				
4																																				
5																																				

Part 2 - Project informationCRA 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 ☒ 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)

• 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 +	917,137
b) Specified employees for work performed in Canada	305 +	
Subtotal (add lines 300 and 305)	306 =	917,137
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 +	
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 =	917,137
• 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 =	917,137

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

Amount from line 400	420	917,137
Deduct		
• provincial government assistance for expenditures included on line 400	429 –	32,100
• 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 –	160,984
• sale of SR&ED capital assets and other deductions	440 –	
Subtotal (line 420 minus lines 429 to 440)	442 =	724,053
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 =	724,053
• Deduction claimed in the year (Corporations should enter this amount on line 411 of schedule T2SCH1)	460 –	724,053
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)		Current Expenditures	Capital Expenditures
Total expenditures for SR&ED (from lines 380 and 390)	492	917,137	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 +	454,177	
• 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 =	1,371,314	512 =
Deduct (see note 4)			
• provincial government assistance	513 –	47,996	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 –		
• 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 =	1,323,318	558 =
Qualified SR&ED expenditures (add lines 557 and 558)			559 = 1,323,318
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 = 1,323,318

* 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 7 – Additional information

Expenditures for SR&ED performed by you in Canada (line 400 minus lines 307, 309, 340, 345, and 370)		605	917,137
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	7
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 ☒
2. entered the method you have chosen for reporting your SR&ED expenditures in Section A of Part 3 ☒
3. completed Part 2 for each project ☒
4. filed a completed Schedule T2SCH31 or Form T2038(IND) to claim ITCs on your qualified SR&ED expenditures ☒
5. filed a completed Form T1145*, T1146**, T1174*** and/or T1263**** including any required attachments, if applicable ☒

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* ☒
2. filed the appropriate provincial and/or territorial tax credit forms, if applicable ☒
3. retained documents to support the SR&ED work performed and SR&ED expenditures you claimed ☒
4. checked boxes 231 and 232 on page 2 of your T2 return to indicate attachment of Form T661 and Schedule T2SCH31 ☒

* 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)*

Page 6

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)			
P1: Distribution system automation (to minimize faults/outage)			
202 Project start date	204 Completion or expected completion date	206 Field of science or technology code (See guide for list of codes)	
2015-05 Year Month	2020-12 Year Month	2.02.01	Electrical and electronic engineering
Project claim history			
208 1 ☒ 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 ☒ 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)	
1. The obstacles to be resolved were all connected with completing the	
2. installation of the balance of the 5 U/G switches, testing them individually	
3. and then networking, and integrating their operations/communications within	
4. VCI's SCADA system. As the items involved were all new to VCI and had to be	
5. installed on, within or adjacent to the existing facilities, physical	
6. limitations and accessibility issues were constraints in practically every	
7. case. More specifically the obstacles were:	
8. (1) Determining, for the U/G switch installations yet to be finished, the site	
9. specific design modifications to the base design used for the first partially	
10. completed installation, taking into consideration, as needed, locational and	
11. surrounding terrain constraints, potential foundation redesign for below grade	
12. installation, possible provision of a foundation for the low voltage control	
13. unit to be located above grade, and adding both drainage and sump pumping	
14. capability to deal with anticipated water incursions.	
15. (2) Understanding why any installed U/G switch unit malfunctions and	
16. developing solutions to eliminate any re-occurrence.	
17. (3) Integrating all 9 U/G switches and the 9 O/H switches with the SCADA	
18. system with intelligence that control the operation of the U/G units and O/H	
19. switches, with reliable, fail-safe communications.	
20. (4) Deciding what spare parts and modules should be provided to support the	
21. pilot after it goes live.	
22. (5) Conceiving and planning how the DAS pilot would be brought into service	
23. after the balance of the 18 switches were installed, and their operation	
24. verified on a standalone basis.	
25. (6) Establishing what monitoring and reporting was required to establish the	
26. reliability performance improvements that were actually achieved its	
27. operation.	
28. While VCI was used to operating switches remotely through its SCADA system	
29. tool, it would be a new mode of network operations for local automated switch	
30. operation to be performed on its own without any centralized intelligence or	
31. SCADA intervention. Radio survey and placement of Radios and RUT were	
32. essential part of the project to attempt to meet the SCADA communication	
33. requirement. However communication to SCADA was a challenge due to	
34. obstructions and an alternate solution was sought.	

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. Previously, VCI had made detailed installation designs for the set of 9
2. automated intelligent O/H switches and 9 U/G switches and their installation &
3. testing on a standalone basis. VCI had also designed & implemented the IT
4. infrastructure arrangements and radio communication system using a separate IP
5. network, after deciding how to route information from O/H switch to U/G
6. switchgear and vice versa, and on communications with the SCADA system master.
7. Software was upgraded and tested under various system loading scenarios.
8. Veridian has continued work for the firmware upgrade. Communication upgrades
9. and testing of the field devices to meet the software and self-healing system
10. requirements was undertaken. Veridian is subsequently in the process of
11. creating new standard operating procedures line and the system control center;
12. with a specific focus on in-fault and post-fault analysis.
13. DAS pilot efforts continued. However, component replacements were necessary
14. to move to the next stage in which the DA pilot would be capable of running on
15. its own and opening and closing switches based upon distribution network grid
16. events. Testing on a standalone switch basis continued to verify
17. communications linkages with the SCADA system. This work had led to a
18. decision to replace a below grade switchgear with a pad mounted switchgear at
19. grade. Efforts towards conducting the DA pilot to go live continued without
20. this unit in place. New pad mounted switch gear unit was installed and we
21. continued to attempt to develop a self-healing system configuration.
22.
23. Throughout the development period, we worked on SCADA programming for the self
24. -healing system, so that if there is a power-loss, then the switch will
25. identify there is a power loss, and the power will re-route automatically. We
26. also continued working on the SMART portion of this pilot trial all year. The
27. system went live for testing in earlier fiscal periods, and while it appeared
28. to work well; the self-healing switches had required additional development.
29. Reprogrammed the self-healing team using most updated technology to achieve
30. better functionalities. This upgrade allows Veridian engineers to remotely
31. control and reconfigure/ reroute the system devices without going in to the
32. field. This work is now considered complete.
33.
34. We continued working on the SMART portion of the pilot trial. We further
35. continued with ongoing reprogramming activities based on system changes, as a
36. part of continuous improvement where the feedback from the prior trial results
37. acted as an input for subsequent improvement. This work was completed early in
38. the fiscal period.
39.
40. To track the improvements and the benefits of the changes (due to
41. reprogramming); we performed the required testing's using simulation software.
42. Testing continued on the functionality of Automatic Restoration System and
43. approved by Veridian. Failures were noted, modifications made and testing
44. repeated. In FY2018 the self healing system was revised to attempt to
45. accommodate newly installed switches and a future extension of the scope of
46. functionality.
47.
48. Other 2018 work included:
49. -Radio repeaters added and switch antenna height was raised to attempt to
50. avoid communication losses of SCADA and a radio survey was subsequently
51. conducted. Revisions to procedures and standards will remain ongoing.

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 advancement sought was to increase the understanding and the application
2. know-how; to implement distribution automation system (DAS) concepts with
3. intelligent switches to improve reliability performance in an area whose
4. performance was continuing to deteriorate. VCI wanted to use groups of

5. switches, incorporating automatic sensing and operation, to sense/isolate
6. faults, and then restore power to unaffected parts of the local network. VCI
7. had examined the issues, challenges and obstacles associated with a DAS pilot
8. for the 13.8kV O/H lines and U/G cables on the 4-feeders. Its analysis
9. indicated an improvement potential to go to 24.4 minutes from 72.3
10. minutes/customer/year. Other notable achievements included: S&C self-healing
11. system - firmware upgrade, reprogramming SCADA redundancy and back up control
12. room as well as mobile SCADA control room. In FY2018 further advancements were
13. achieved with [REDACTED] software and system self-configurable based
14. solutions; The ability to accommodate future addition of the switches in the
15. self-healing system; the knowledge of repeater locations, orientations and
16. configurations; and improvement methodologies to attempt to achieve greater
17. reliability of communication paths.

Section C – Additional project information

Who prepared the responses for Section B?

253	1 ☒ Employee directly involved in the project	254	Name
255	1 ☐ Other employee of the company	256	Name
257	1 ☒ External consultant	258	Name
			Deloitte LLP
		259	Firm
			Deloitte LLP

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

260	Names	261	Qualifications/experience and position title
1	[REDACTED]		
2	[REDACTED]		
3	[REDACTED]		

265	Are you claiming any salary or wages for SR&ED performed outside Canada?	 1 ☐ Yes	2 ☒ No
266	Are you claiming expenditures for SR&ED carried out on behalf of another party?	 1 ☐ Yes	2 ☒ No
267	Are you claiming expenditures for SR&ED performed by people other than your employees?	 1 ☐ Yes	2 ☒ No

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

268	Names of individuals or companies	269	BN
1			

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 ☒ Records of resources allocated to the project, time sheets	277	1 ☒ Test protocols, test data, analysis of test results, conclusions
272	1 ☐ 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 ☐ Contracts
275	1 ☐ Records of trial runs	281	1 ☒ Others, specify 282 emails

Part 2 – Project information (continued)

Project number 2

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)			
P2: Operations Information Systems improvements			
202 Project start date	204 Completion or expected completion date	206 Field of science or technology code (See guide for list of codes)	
2015-01 Year Month	2021-12 Year Month	2.02.01	Electrical and electronic engineering
Project claim history			
208 1 ☒ 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 ☒ 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)	
1. Interfacing the OMS tool to various other systems, was still a concern. The	
2. OMS/GIS interface still needed to be verified from additional testing and	
3. experimentation continued with improvements in customer communication by	
4. interfacing with social media, phone systems and email systems. The	
5. improvement contribution from using an Enterprise Service Bus (ESB) and	
6. whether one was worth implementing was a continuing uncertainty that would not	
7. be resolved until a solution was completed and the next interface initiated.	
8. Progress continued on enhancement of the GIS to improve performance, as well	
9. as to create operating geo-schematics directly from the GIS. This would add	
10. greater uncertainty in understanding how to interface two distinctly different	
11. GIS systems from two different vendors and in manipulating schematic engines	
12. into providing the desired result. In addition, paper mapping processes in the	
13. system control centre were very inefficient and no industry solution could be	
14. found to eliminate these paper maps altogether.	
15. In 2018 various updates to existing applications were required, [REDACTED]	
[REDACTED] and various other enhancements.	
17. The DMB (Digital Map Board) application provided some unique challenges in	
18. requiring maps at different scales and pixel density to be displayed on a	
19. single continuous interface. VCI attempted to overcome many of these	
20. challenges by caching at various resolutions, reconfiguring schematics, and	
21. devising software tools to attempt to allow for quick high quality zooming,	
22. leading to the conversion of almost all distribution level maps. However,	
23. there are still some challenges with regards to operating level maps. The	
24. pixel density of the hardware itself has become an issue. VCI has tried	
25. multiple hardware configurations in an attempt to resolve this, so far with no	
26. success.	
27.	

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. Though development continued on the existing GIS viewer and new features were	
2. added, because Microsoft has ended support of its [REDACTED]	
3. (on which the GIS viewer was build) it was decided that the application would	
4. be re-written as a windows 10 universal application, whose code can also be	
5. used in conjunction with [REDACTED] to deploy to IOS and Android in the future.	
6. Development on this began in 2016 with the plan to be deployed in 2017. The	
7. deployment of the application was delayed in 2017, in part due to resource	

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)

8. constraints, and in part due to performance issues of several aspects of the
9. application. However, several trials were conducted with the underlying GIS
10. software to improve performance - this work would extend into 2018.
11.
12. Because of a pending merger and because of a major set of breaking API changes
13. from a vendor, progress on the new GIS application was paused for 2018,
14. however some development was required to keep the aging [REDACTED]
[REDACTED] functional such as [REDACTED] and
16. adding support for vector tiles. Because the GIS vendor [REDACTED] behind
17. the application has been deprecated by the vendor, these features had to be
18. manually ported back to the application by VCI
19.
20.
21. Enhancements to the schematics solution in 2017 included adding the ability to
22. have multiple schematic diagrams for a single area to accommodate different
23. switching maps. This involved engineering and use of undocumented features in
24. the Esri Schematics schema. This work continued into 2018 with the addition of
25. a new custom built and designed app to replace the paper maps in the system
26. control centre with a 'digital map board', with deployment and field testing.
27.
28. The first version of the Digital Map Board was successfully launched in 2018
29. and work continued to enhance and expand its use. Almost all distribution-
30. level paper maps were ported to the new system and work begun on migrating
31. switching maps as well, though new challenges arose from that work.
32.
33.
34.

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. We have continued to incrementally add capability in the interface between an
2. ESRI (new) GIS system with the (existing) [REDACTED] system - grafting two
3. distinct, somewhat incompatible GIS systems together in order to take
4. advantage of the strengths of each. We also successfully developed, tested and
5. deployed to public beta a customer outage notification system that now
6. interfaces not only with twitter, email, and web systems but also directly to
7. customers via SMS and text to speech voice calls.
8. Development is nearly complete on a rebuild of the [REDACTED] which
9. will enable us to reuse the vast majority of client-side code to redeploy to
10. IOS and Android in the future.
11. In addition, the development of a new robust digital map board application
12. allowed us to gradually replace paper mapping processes with more reliable,
13. efficient and robust digital processes.
14. VCI unfortunately had to abandon much of the work performed on the rebuild of
15. the GIS viewer, however the development effort was not wasted: much of the
16. inking and mapping code was ported to the new Digital Map Board (DMB)
17. application, which was launched successfully in the system control centre.
18. Because the DMB application requires close to 100% up-time, improvements have
19. been incrementally added to the communications module to address synching
20. issues, many of which were discovered during a 'disaster' recovery scenario in
21. the main office.
22.

Section C – Additional project information

Who prepared the responses for Section B?

253	1 ☒ Employee directly involved in the project	254	Name	
255	1 ☐ Other employee of the company	256	Name	
257	1 ☒ External consultant	258	Name	259 Firm
			Deloitte LLP	Deloitte LLP

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

260	Names	261	Qualifications/experience and position title
1			
2			
3			

265	Are you claiming any salary or wages for SR&ED performed outside Canada?	1 ☐ Yes	2 ☒ No
266	Are you claiming expenditures for SR&ED carried out on behalf of another party?	1 ☐ Yes	2 ☒ No
267	Are you claiming expenditures for SR&ED performed by people other than your employees?	1 ☐ Yes	2 ☒ No

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

268	Names of individuals or companies	269	BN
1			

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 ☒ Records of resources allocated to the project, time sheets	277	1 ☒ Test protocols, test data, analysis of test results, conclusions
272	1 ☐ 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 ☐ Contracts
275	1 ☐ Records of trial runs	281	1 ☒ Others, specify 282 emails

Part 2 – Project information (continued)

Project number **3**

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)			
P3: System planning & analysis for improvements to the distr			
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	2020-12 Year Month	2.02.01	Electrical and electronic engineering
Project claim history			
208 1 ☒ 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 ☒ 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)	
1. VCI faces a number challenges with regards to its distribution network. These	
2. challenges include:	
3. (1) Its network's ability to accept the connection of new residential,	
4. commercial and industrial loads,	
5. (2) How to reinforce or augment the network based on existing loading, and	
6. deteriorating reliability issues, to create longer term plans for servicing	
7. future expected growth areas and reliability performance improvements,	
8. (3) Making proper load switching decisions for station outages due to	
9. maintenance given existing loading conditions, and	
10. (4) Its network's ability to accept FIT and micro-FIT sustainable generation	
11. connection applications approved by the OPA.	
12. At the core of resolving all these challenges is the need for an accurate	
13. picture/model of the network in its current state. Such models are invaluable	
14. to investigate and accurately assess the impact of accommodating any of the	
15. above proposed changes in network capability and capacity.	
16. Even with an existing set of models of the configuration carried over from	
17. prior years, a specific challenge is to meet the essential need to keep the	
18. models up-to-date so that they continue to reflect the status quo. Ideally,	
19. GIS downloads, either manually or automatically, facilitate model updating.	
20. VCI relies on manual updates. If updating is not done, the results of studies	
21. and simulation runs in terms of impacts of proposed changes is compromised.	
22. Even if up-to-date models are available for simulation studies to investigate	
23. capacity/capability issues, another important factor is that the network	
24. improvement proposals (that results from system planning and analysis	
25. activities) have to be both technically sound and cost effective. This	
26. challenge usually means that all the solution candidates identified as	
27. possibilities need to be investigated in detail before a preferred solution	
28. emerges from the modeling and simulation efforts that identified them in the	
29. first place.	
30. With older areas, when modeling and simulation is being used to identify	
31. options from improving reliability performance, the other factor that has to	
32. be incorporated in the analysis is that of refurbishment or replacement of the	
33. existing infrastructure.	
34.	
35.	
36.	

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.
2. FY2018:
3. As per the previous fiscal periods, the main focus of modeling and simulation
4. efforts continued on improving the configuration and performance of the
5. network in the Ajax area. The area model was first updated before simulations
6. were run. The Ajax area has the most complex network arrangements with
7. deteriorating infrastructure and reliability performance. Unjacketed, direct
8. buried cables with brittle neutrals are failing and these failures continued
9. to be the driver of efforts to consider adding another transformer station,
10. coupled with the possibility of using cable refurbishments with injections of
11. insulating fluid. All proposed configuration changes were reviewed with
12. Control Room personnel.
13.
14. The existing system models were used to investigate potential improvements in
15. the Belleville, Brockville and Clarington areas of VCI's service territory;
16. however no significant improvement opportunities were identified. Work was
17. spread across all districts to ensure the distribution network would continue
18. to operate well and not offer undue reliability risks. Loading was assessed
19. and potential projects were developed to improve areas with limitations to
20. growth and/or operational concerns such as inability to backup areas from
21. other surrounding supply points.
22.
23. We also continued work on developing new load forecasts (taking into account
24. the impact of embedded generation); long term planning for a new Transformer
25. Station south of the proposed airport land; as well as fault-level modeling.
26. Fault-level modeling is required when modeling and assessing the impact of
27. proposed units of distributed generation - that would be embedded inside the
28. VCI system. While mainly Solar PV proposals were involved, some wind and bio-
29. gas proposals were included in the portfolio to be reviewed. As referenced
30. already, particular attention was paid to the predicted response of these
31. proposed generators under fault conditions. Each application requires
32. thorough analysis of impacts to system reliability and the stability of the
33. supply voltage.
34.
35. Decisions are also involved about monitoring and control requirements when
36. large capacity DG units are being proposed. As there are some known
37. constraints that Hydro One has imposed on parts of the existing system, like
38. acceptable DG penetration rates per feeder, VCI needs to manage and deal with
39. them. While these requests are still being managed on a case-by-case basis, it
40. is anticipated there will be a future need to develop new protocols as the
41. distributed generators embedded in the VCI system become more common in the
42. future.
43.
44. Also, continuing from previous periods we performed further work with the
45. generator study, to predict their responses under fault conditions. We also
46. continued with our analysis for creating new applications of the generators.
47. Special attention was paid to develop the predicted response of these
48. generators under fault conditions; where each application required thorough
49. analysis of the impacts to system's reliability and the stability of the
50. supply voltage. Other activities completed in FY2018 include: Protection
51. settings and coordination studies; Developed and programmed for SCADA
52. monitoring and control; and P&C work on renewable generation alternatives with
53. Hydro One.
54.

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. They are, in general, a set of proposed improvements to the current

2. configuration and facilities of a distribution network - across an
3. unconsolidated service territory - that have been developed for each specific
4. area and district from the modeling and analysis studies undertaken with a
5. specialized simulation S/W tool. These proposed improvements are typically the
6. results of analyzing aspects such as:
7. 1. Feeder layout in an area to determine new transformer locations to maximize
8. operational flexibility and minimize losses
9. 2. Servicing requirements of a new proposed development to understand the best
10. connection plans to the network such as that for the proposed Seaton community
11. investigated last year through multiple analyses of voltage levels and fault
12. currents to estimate increased loading and supply options with existing and
13. possible new feeders
14. 3. Substation loading across VCI's service territories to assess its network's
15. operability with certain substations being off-line
16. 4. The network's ability to handle new/expanded commercial/industrial loads
17. 5. Evaluation and impact analysis of new distributed/embedded generators being
18. proposed to feed into the VCI network as a consequence of the Green Energy and
19. Green Economy Act (GEGEA) Feed-in-Tariff (FIT) and micro-FIT programs, and
20. 6. Examining how areas with older, aging infrastructure can be reconfigured or
21. reinforced using predictive modeling/forecasting to mitigate the impacts of
22. possible substation failures during peak load times on customer service and
23. system stability, to prepare contingency operational plans to prepare VCI's
24. response in the event of failures, and to reduce the incidence of outages.
25. With a set of models for all sections of its service territory - from the 44kV
26. through 4.16kV levels - of its existing configurations, VCI had the basis to
27. investigate potential changes to deal with, for example, the impact of load
28. changes, potential solutions to segments of the network with chronic problems,
29. in order to improve its distribution system performance from the perspectives
30. of reliability, balanced loading, level of losses and delivered power quality.
31.
32.
33.
34.
35.
36.
37.
38.

Section C – Additional project information

Who prepared the responses for Section B?

253	1 ☒ Employee directly involved in the project	254	Name	
255	1 ☐ Other employee of the company	256	Name	
257	1 ☒ External consultant	258	Name	259 Firm
			Deloitte LLP	Deloitte LLP

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

260	Names	261	Qualifications/experience and position title
1			
2			
3			

265	Are you claiming any salary or wages for SR&ED performed outside Canada?	 1 ☐ Yes	2 ☒ No
266	Are you claiming expenditures for SR&ED carried out on behalf of another party?	 1 ☐ Yes	2 ☒ No
267	Are you claiming expenditures for SR&ED performed by people other than your employees?	 1 ☐ Yes	2 ☒ No

If you answered yes to line 267, complete lines 268 and 269.	
268	Names of individuals or companies
269	BN
1	

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	☒	Records of resources allocated to the project, time sheets	277	1	☒	Test protocols, test data, analysis of test results, conclusions
272	1	☐	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	☐	Contracts
275	1	☐	Records of trial runs	281	1	☒	Others, specify 282 Emails

Part 2 – Project information (continued)

Project number 4

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)			
P4: Developing and applying Smart Grid (SG) concepts, techni			
202 Project start date	204 Completion or expected completion date	206 Field of science or technology code (See guide for list of codes)	
2010-01 Year Month	2020-12 Year Month	2.02.01	Electrical and electronic engineering
Project claim history			
208 1 ☒ 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 ☒ 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)	
1. VCI had developed a better understanding of the Ontario SG Forum's SG	
2. definition as one that ""uses sensors, monitoring, communication, automation	
3. and computers to improve the flexibility, security, reliability, efficiency	
4. and safety of the electricity system"", and Ontario's Green Energy & Green	
5. Economy Act requirements. It reviewed how existing tools/practices and those	
6. under development could be incorporated into a VCI specific SG framework. In	
7. addition, VCI had investigated: (1) the state-of-the-art in SG technologies;	
8. (2) actual and proposed SG-like innovations already available; (3) the	
9. principal drivers for SG efforts and their impact on work either undertaken or	
10. still in progress at VCI. From the data collected and analyzed, a preliminary	
11. approach was developed to deploy SG concepts, techniques, methodologies &	
12. related equipment. It was not, however, taken to the detailed level of a Green	
13. Plan and uncertainties persisted. Smart Community Microgrid project was	
14. subsequently determined to be a test bed for the company for deployment of	
15. DERs for grid benefits, islanding and grid connected microgrid assets for	
16. added resiliency, EV charging profiles and growth in the community, etc.	
17. Testing these constructs and identifying operational procedures in this	
18. environment would lead to more confidence within the utility to promote and	
19. plan for higher adoption of DERs and EVs, rather than having an aversion for	
20. them. The uncertainties of the activity would be associated with whether	
21. residents would have sufficient system intelligence and analytics to better	
22. manage their energy needs and challenges with and viable solutions for	
23. deploying a smart energy community in Ontario, given its unique electricity	
24. grid and standards.	
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.	
2. Veridian has started working on the Smart Community Microgrid (SCM) project in	
3. early FY2018. SCM is a demonstration project designed & developed together	
4. with the City of Pickering, Marshall Homes (the developer), Opus One Solutions	
5. (technology partner). It is intended that this would result in efficient	
6. energy use, decrease in GHG consumption from reduced electricity required from	
7. the grid & lowering usage at home using smart appliances & thermostats. The	
8. community would generate clean electricity during the day & store electricity	
9. during the night when GHG based electrons are at its lowest. Resiliency	
10. against loss of power (grid failure) increased due to self-generation &	

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)

11. storage for community purposes. The site for the project is currently under
12. development for 27 townhouses and includes the energy storage, roof top solar,
13. EV charging station, GridOS Distributed Energy resources management system
14. (DERMS) to provide an innovative approach to community development to provide
15. resiliency, energy conservation and demand management for the residents and
16. electric utility respectively. In FY2018 the extensive work was performed on
17. preliminary site design was completed, equipment specifications were prepared
18. and a microgrid designed and initial DERMS software and interface with
19. community storage and generation developed. This undertaking will extend into
20. FY2019.
21.

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. VCI sought to acquire the knowledge and capabilities it needed to deploy and
2. implement a range of Smart Grid concepts and technologies across its existing
3. distribution network to transition it to one that has a fully intelligent
4. infrastructure with:
5. (1) Compatible, durable and reliable equipment with built-in sensing and
6. intelligent electronic devices for monitoring, fault diagnosis, and self-
7. restoration capabilities.
8. (2) Fail-safe, robust, fast, high band-width, 2-way advanced communications
9. from customers to the grid control center.
10. (3) Centralized monitoring and control utilizing integrated data bases for
11. customer information, for asset records including their geographic locations,
12. for the management of outages, for grid operations and for making physical
13. changes to the grid infrastructure.
14. (4) Informed & intelligent operators and customers regarding electricity use
15. and the assets for local generation, distribution & storage and initiatives to
16. facilitate wise consumption for system-wide benefits; and
17. (5) Unrestricted capability to accommodate, plug-in hybrid electric vehicles
18. (EV), distributed generation (DG), and potentially energy storage. In
19. summary, an SG is one that supports the 2-way flows of electricity, data &
20. information.
21. To date, we have advanced our knowledge and general understanding on:
22. (A) the applicability of different types & capabilities of SG systems and
23. equipment - either currently commercially available or at a prototype stage -
24. to permit their evaluation with a view to establishing a set of preferred
25. concepts, techniques and methodologies that VCI could implement;
26. (B) facilitating system reliability improvements via reduced outages and
27. quicker response times and adding more visibility to the system;
28. (C) making more efficient use of existing infrastructure and reducing losses;
29. (D) empowering customers to participate in conservation; and
30. (E) Progressing towards the transition to a SG.
31. (F) Smart Community Microgrid development - understanding grid benefits,
32. islanding and grid connected microgrid assets for added resiliency, EV
33. charging profiles and growth in the community, etc. The unique methods and
34. techniques required for system intelligence and analytics would result in a
35. considerable knowledge gain.
36.

Section C – Additional project information			
Who prepared the responses for Section B?			
253	1	☒ Employee directly involved in the project	254 Name [REDACTED]
255	1	☐ Other employee of the company	256 Name
257	1	☒ External consultant	258 Name Deloitte LLP 259 Firm Deloitte LLP
List the key individuals directly involved in the project and indicate their qualifications/experience.			
260	Names		261 Qualifications/experience and position title
1	[REDACTED]		[REDACTED]
2	[REDACTED]		[REDACTED]
3	[REDACTED]		[REDACTED]
265 Are you claiming any salary or wages for SR&ED performed outside Canada? 1 ☐ Yes 2 ☒ No 266 Are you claiming expenditures for SR&ED carried out on behalf of another party? 1 ☐ Yes 2 ☒ No 267 Are you claiming expenditures for SR&ED performed by people other than your employees? 1 ☐ Yes 2 ☒ No			
If you answered yes to line 267, complete lines 268 and 269.			
268	Names of individuals or companies		269 BN
1	[REDACTED]		[REDACTED]
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	☒ Records of resources allocated to the project, time sheets	277 1 ☒ Test protocols, test data, analysis of test results, conclusions
272	1	☐ 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 ☐ Contracts
275	1	☒ Records of trial runs	281 1 ☒ Others, specify 282 Emails

Part 2 – Project information (continued)

Project number **5**

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)			
P5: Mobile Workforce Management System (MWFMS) design, devel			
202 Project start date	204 Completion or expected completion date	206 Field of science or technology code (See guide for list of codes)	
2015-01 Year Month	2021-12 Year Month	2.02.01 Electrical and electronic engineering	
Project claim history			
208 1 ☒ 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 ☒ 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)
1. For a MWFMS (Mobile Workforce Management System) to be an effective tool for
2. VCI, it must be integrated with a diverse range of existing tools and systems
3. which include [REDACTED]
[REDACTED]
[REDACTED]
6. among others. VCI was challenged to define processes encompassed by these
7. systems and where mobile computing could benefit them, and devise methods of
8. interfacing such systems and processes to meet the project's objectives for
9. VCI's MWFMS.
10. As per previous fiscal periods, the emphasis continued to be on the software
11. side of the MWFMS with a stated purpose of customizing existing available
12. commercial S/W tools to the maximum extent possible. The key obstacle that VCI
13. faced was resolving interface issues of candidate tools with its existing
14. suite of tools and systems.
15. Much effort was needed in a back-and-forth process with the CIS vendor to
16. integrate with their yet-in-development business layer to allow interfaces.
17. Once this interface was tested and complete, remaining workflows were
18. developed and piloted with the metering group, as well as iteratively refined
19. as per their requirements.
20.

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.
- 2.
3. FY2018 - activities:
4. VCI continued to work with the CIS vendor to test/direct development of a
5. business layer with which to interact. This involved several iterative
6. development and test cycles. Once the business layer was completed to an
7. acceptable level, development of the meter install workflow continued and was
8. piloted, tested and iteratively improved with the end users.
9. In addition, there were some issues with the trouble call workflow. The
10. workflow was designed to infer the assets that were damaged and replaced based
11. on as little input as possible from field crews. There were some scenarios
12. discovered where the software was incorrectly identifying assets and so there
13. was some significant re-engineering required to correct the issues.
- 14.

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. It is the capability to achieve increased back office & field resource
2. efficiencies through the development & implementation of enhanced office/field
3. communications using MWFMS. The objectives established for the MWFMS were to:
4. (1) improve safe vehicle use and efficiency through a combination of software
5. & hardware;
6. (2) reduce or eliminate paper-based communication of in-field conditions to in
7. -office personnel;
8. (3) improve customer experience through faster response times & consistent,
9. effective service;
10. (4) provide easier access to enterprise-wide information & ensure data
11. accuracy to/from the field ;
12. (5) improve visibility into workforce & workload for tactical & strategic
13. decisions; and
14. (6) assure flexibility and scale-ability
- 15.
16. 2017 saw the expansion of between the middleware and
17. the involved systems, as well as the design and development of new workflow to
18. capture trouble calls. In addition, a new was designed by a vendor in
19. cooperation with Veridian to accommodate to capture meter
20. installations.
21. 2018 saw the improvement of the asset identification algorithms based on user
22. input as well as the refinement of the delivered by the vendor in
23. cooperation with VCI
- 24.
- 25.
- 26.

Section C – Additional project information

Who prepared the responses for Section B?

253	1 ☒ Employee directly involved in the project	254	Name	
255	1 ☐ Other employee of the company	256	Name	
257	1 ☒ External consultant	258	Name	259 Firm
			Deloitte LLP	Deloitte LLP

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

260	Names	261	Qualifications/experience and position title
1			
2			
3			

265	Are you claiming any salary or wages for SR&ED performed outside Canada?	1 ☐ Yes	2 ☒ No
266	Are you claiming expenditures for SR&ED carried out on behalf of another party?	1 ☐ Yes	2 ☒ No
267	Are you claiming expenditures for SR&ED performed by people other than your employees?	1 ☐ Yes	2 ☒ No

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

268	Names of individuals or companies	269	BN
1			

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 ☒ Records of resources allocated to the project, time sheets	277	1 ☒ Test protocols, test data, analysis of test results, conclusions
272	1 ☐ 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 ☐ Contracts
275	1 ☐ Records of trial runs	281	1 ☒ Others, specify 282 emails

Part 2 – Project information (continued)Project number **6**

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)

P6: Improved Engineering project Design/Analysis through Cus

202 Project start date

2012-09

Year Month

204 Completion or expected completion date

2019-12

Year Month

206 Field of science or technology code
(See guide for list of codes)

2.02.01

Electrical and electronic engineering

Project claim history

208 1 ☒ 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 ☒ NoIf 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)

1. For this project, we sought to improve our engineering standards and analysis
2. methods through the development and customization of various software tools.
3. A common problem when CAD software tools are being used to generate
4. engineering design drawings is the lack of a common methodology so that no
5. matter which designer prepares the drawings, all of the drawings released for
6. construction look the same, and use the same symbolism and conventions. The
7. problem exists in a single engineering office with multiple technical staff
8. creating drawings, and tends to be much worse when multiple offices are
9. involved working on the same multi-disciplinary project.
10. The obstacles/uncertainties faced going in were:
11. (1) Understanding the criteria that should be adopted to rationalize and
12. standardize the existing practices used across the design staff in the
13. Engineering Department using the AutoCAD S/W tool for design development with
14. their individual approaches, practices, subroutines/macros and symbolism;
15. (2) whether or not the scope of the design work for the CAD
16. initiative/methodology would cover would include all aspects of the
17. Engineering Departments activities and not just the areas already using
18. AutoCAD;
19. (3) Developing and verifying the testing protocols that should be used to
20. verify the components of the new methodology (s) and to ensure application
21. consistency across all of its users.
22. (4) Understanding how to capture/characterize all of the design inputs and
23. allow the model to be updated through testing.
24. (5) For [REDACTED] - We anticipated a CSA ruling that would mean that linear
25. evaluation for guying analysis would no longer be acceptable. We needed to
26. develop an approach to be able to perform non-linear analysis under a wide
27. range of loading conditions.
- 28.
- 29.

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 this project, we worked on two distinct activities:
2. The first project involved using AutoCAD to standardize existing engineering
3. practices, and this project continued from the prior fiscal period. A small
4. project team had been formed in previous fiscal periods, with representatives
5. from different areas to contribute their expertise to the definition and

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)

6. specification of what the new methodology had to achieve, and what its outputs
7. had to deliver. Various sessions were held before the working documents were
8. sufficiently detailed and a customizing solution in AutoCAD format could be
9. tested and trialed. Development of an AutoCAD template continued through
10. FY2018 and was subsequently completed. Work included development of a custom
11. layer structure and line types, tool palette, legend file, and drawing
12. templates, as part of the new methodology. Ongoing development included
13. modifying the interface between the AutoCAD template and the GIS tools. A new
14. initiative between Standards and GIS to resolve the export/import between CAD
15. and GIS drawings was undertaken and development continues on a plugin or
16. browser upgrade. This work takes a different approach that may be more
17. successful. It's intended to be a working solution while a more feature rich
18. product is devised. Development and customization of software tools is now
19. considered complete and will not reappear on 2019 SR&ED.
20.
21. The second project involved working to develop a custom software package for
22. guying analysis. The goal was to develop a model where the physical
23. properties of pole-framing equipment could be incorporated into a client file.
24. Prior to this initiative starting, we had been doing linear analysis in
25. Excel. Our goal with the non-linear approach was to evaluate the pole-loading
26. as a whole. We develop a client-file that could be incorporated in to the
27. software for testing. Work involved looking at all equipment related to pole-
28. framing, and inputting strengths for that equipment. Framing standards were
29. introduced and developed. The CAD template, palette, and blocks library were
30. modified through revisions driven by user feedback and requests from
31. Engineering management. In the course of development we had devised overhead
32. and underground & overhead construction standards and associated policies;
33. transitioned to CAD certified interfaces; utilized [REDACTED] client file
34. conversion to attempt to allow for dynamic non-linear guying as required by
35. CSA; continued to observed equipment failure and investigated system
36. modifications; ongoing development of in-house [REDACTED] to CAD export tools and
37. Inter-Utility Standards. This work is now considered complete.
38.

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. VCI wanted to create, verify and validate a new methodology to standardize the
2. look and content of its digitally created engineering drawings released for
3. construction by either is internal line crews or external line or specialist
4. contractors. So it needed to acquire the knowledge to do so. In addition, it
5. wanted the new CAD tool, which would be at the core of the new methodology, [REDACTED]
[REDACTED] so that the preparation of W.O. packages could be
7. made more efficient as well as more consistent and understandable by the
8. personnel who have to interpret the drawings that these packages contain. As
9. it did not have expertise in developing solutions within AutoCAD, the tool it
10. used for electrical drawing production for infrastructure additions and
11. modifications, VCI recognized at the outset that it would likely need to
12. obtain assistance from an external specialist contractor. Progress towards
13. achieving these advancements was incremental over multiple fiscal periods, and
14. further work would continue.
15. In addition, it VCI worked to develop a non-linear method for guying analysis
16. and load-modelling under a wide range of installation conditions.
17. Many of the objectives of this project have been met and development is
18. considered complete at this time. Future unique activities may form new SR&ED
19. projects.

Section C – Additional project information

Who prepared the responses for Section B?

253	1 ☐ Employee directly involved in the project	254	Name
255	1 ☐ Other employee of the company	256	Name
257	1 ☒ External consultant	258	Name Deloitte LLP
		259	Firm Deloitte LLP

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

260	Names	261	Qualifications/experience and position title
1			
2			
3			

265	Are you claiming any salary or wages for SR&ED performed outside Canada?	1 ☐ Yes	2 ☒ No
266	Are you claiming expenditures for SR&ED carried out on behalf of another party?	1 ☐ Yes	2 ☒ No
267	Are you claiming expenditures for SR&ED performed by people other than your employees?	1 ☐ Yes	2 ☒ No

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

268	Names of individuals or companies	269	BN
1			

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 ☒ Records of resources allocated to the project, time sheets	277	1 ☐ Test protocols, test data, analysis of test results, conclusions
272	1 ☐ 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 ☒ Contracts
275	1 ☐ Records of trial runs	281	1 ☒ Others, specify
		282	Emails

Federal Tax Instalments

Federal tax instalments

For the taxation year ended 2019-12-31

Business number

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.

Monthly instalment workchart

Date	Monthly tax instalments	Refund transferred to instalments	Instalments paid	Cumulative difference	Instalments payable
2019-01-31	68,991				68,991
2019-02-28	68,991				68,991
2019-03-31	68,991				68,991
2019-04-30	68,991				68,991
2019-05-31	68,991				68,991
2019-06-30	68,991				68,991
2019-07-31	68,991				68,991
2019-08-31	68,991				68,991
2019-09-30	68,991				68,991
2019-10-31	68,991				68,991
2019-11-30	68,991				68,991
2019-12-31	68,988				68,988
Totals	827,889				827,889

Quarterly instalment workchart

Date	Quarterly tax instalments	Refund transferred to instalments	Instalments paid	Cumulative difference	Instalments payable
2019-03-31					
2019-06-30					
2019-09-30					
2019-12-31					
Totals					

Instalment method

Indicate instalment method chosen [1-3] 1

1st Instalment base method

If payment of instalments other than quarterly instalments is delayed, indicate the MONTH in which you want them to begin (1=January, 2=February, etc.).

1

Select this box if you want the instalments to be calculated without taking the applicable threshold into account

☐

Quarterly instalments calculation

The corporation must meet requirements 1 to 5 to be eligible for quarterly instalments for a tax year.

- 1 – Is the corporation a Canadian-controlled private corporation (CCPC)? ☒ Yes ☐ No
- 2 – Did the corporation claim any deduction under the section 125, during either the current or previous year? ☐ Yes ☒ No
- 3 – Is the corporation's, or any of its associated corporations', taxable income for the current or previous year less than or equal to \$500,000? ☐ Yes ☐ No
- 4 – Is the corporation and any associated corporations' taxable capital employed in Canada for the current or previous year less than or equal to \$10,000,000? ☐ Yes ☐ No
- 5 – Does the corporation have a perfect compliance history in the last 12 months? ☐ Yes ☐ No

If you do not want to use the quarterly instalments option, select this box to go back to monthly instalments.

☐

1 – 1st Instalment base method

1st Instalment base amount (amount N below)	<u>827,889</u> ÷ 12 =	<u>68,991</u>
	Monthly instalments required	68,991
Quarterly tax instalments required	<u>827,889</u> ÷ 4 =	

2 – Combined 1st and 2nd instalment base method

Select this box if you want the first 2 payments* to be calculated without taking the applicable threshold into account? ☐

2nd Monthly instalment base amount

Indicate: Part I tax	<u>389,272</u>	
Part VI, VI.1 and XIII.1 tax	+	
Federal adjustment for amalgamation, winding up or transfer	+	
Provincial tax, other than Alberta, Québec and Ontario	+	
Ontario tax	+	<u>386,005</u>
Provincial adjustment for amalgamation, winding up or transfer	+	
Total	=	<u>775,277</u> ÷ 12 = <u>64,607</u> A
1/12 of estimated current year credits (M below /12)		– <u>1,516</u>
	Each of the first two instalment payments	= <u>63,091</u> B
Total tax from N below	<u>827,889</u>	
Amount B above x 2	– <u>126,182</u>	
	= <u>701,707</u> ÷ 10 =	<u>70,171</u>
	Each of the remaining ten instalment payments	= <u>70,171</u>

2nd Quarterly instalment base amount

Indicate: Part I tax	<u>389,272</u>	
Part VI, VI.1 and XIII.1 tax	+	
Federal adjustment for amalgamation, winding up or transfer	+	
Provincial tax, other than Alberta, Québec and Ontario	+	
Ontario tax	+	<u>386,005</u>
Provincial adjustment for amalgamation, winding up or transfer	+	
Total	=	<u>775,277</u> ÷ 4 = <u>193,820</u> A
1/4 of estimated current year credits (M below /4)		– <u>4,548</u>
	The first instalment payment	= <u></u> B
Total tax from N below	<u>827,889</u>	
Amount B above	– <u></u>	
	= <u>827,889</u> ÷ 3 =	<u>275,963</u>
	Each of the remaining three instalment payments	= <u></u>

* It is the first payment if the quarterly instalments are applicable.

3 – Estimated tax method

Instalment base amount (amount N below)	<u></u> ÷ 12 =	<u></u>
	Monthly instalments required	<u></u>
Quarterly tax instalments required	<u></u> ÷ 4 =	<u></u>

Instalment base calculation

Federal tax		1st instalment base method	Estimated tax method
Taxable income		<u>4,138,018</u>	
Calculation of tax payable			
Federal part I tax		<u>1,572,447</u>	
Recapture of investment tax credit	+		+
Refundable tax on a CCPC's investment income	+		+
Subtotal	=	<u>1,572,447</u>	= A
Deduction			
Small business deduction			
Investment corporation deduction	+		+
Federal tax abatement	+	<u>413,802</u>	+
Manufacturing and processing profits deduction	+		+
Non-business foreign tax credit	+		+
Business foreign tax credit	+		+
General tax reduction	+	<u>537,942</u>	+
Logging tax credit	+		+
Investment tax credit per Schedule 31	+	<u>202,498</u>	+
Eligible Canadian bank deduction	+		+
Qualifying environmental trust tax credit	+		+
Subtotal	=	<u>1,154,242</u>	= B
Federal tax summary			
Total part I tax payable (A minus B)		<u>418,205</u>	C
Part VI tax	+		D
Part VI.1 tax	+		E1
Part XIII.1 tax	+		E2
Parts I, VI, VI.1 and XIII.1	Total	= <u>418,205</u>	= F
Federal adjustments			
Adjustment for short taxation years multiplied by 365 and divided by the number of days in the year if less than 365	x	<u>365 / 365</u>	x <u>365 / 365</u>
Subtotal	=	<u>418,205</u>	=
Federal adjustment for amalgamation, winding up or transfer	+		+ <u>N/A</u>
Total federal tax after adjustments	=	<u>418,205</u>	= G
Provincial tax			
Provincial/territorial tax other than Alberta, Québec and Ontario before provincial refundable tax credits	+		+ H
Ontario tax			
Income tax		<u>427,876</u>	
Corporate minimum tax paid (credited)	+		
Special additional tax on life insurance corporations	+		
Total Ontario tax	=	<u>427,876</u>	+ I
Harmonized provincial tax (H + I)			
Provincial/territorial tax other than Alberta and Québec before provincial refundable tax credits	=	<u>427,876</u>	= J
Provincial adjustments			
Adjustment for short taxation years multiplied by 365 and divided by the number of days in the year if less than 365	x	<u>365 / 365</u>	x <u>365 / 365</u>
Subtotal	=	<u>427,876</u>	=
Provincial adjustment for amalgamation, winding up or transfer	+		+ <u>N/A</u>
Total provincial tax after adjustments	=	<u>427,876</u>	= K
Total of tax before refundable credits**	=	<u>846,081</u>	= L

Instalment base calculation (continued)

Estimated current year credits

Investment tax credit refund				
Dividend refund	+		+	
Federal capital gains refund	+		+	
Provincial and territorial capital gains refund	+		+	
Tax withheld at source	+		+	
Labour tax credit for qualifying journalism organizations	+		+	
Other estimated credits	+		+	
Provincial/territorial refundable tax credits other than Alberta, Québec and Ontario*	+		+	
Ontario refundable tax credits*	+	18,192	+	
Total estimated current year credits	=	<u>18,192</u>	=	<u>M</u>
Instalment base amount (L – M)		<u>827,889</u>		<u>N</u>

* For more details with regards to the impact of the refundable tax credits in the instalment base calculation, consult the Help.

** For instalments payable, the amount on line G will only be included in the amount of line L when it exceeds \$3,000. The same rule applies to line K.



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** [redacted]**Corporation's name****002** Veridian Connections Inc.**Address of head office**Has this address changed since the last time we were notified? **010** Yes ☐ No ☒If **yes**, complete lines 011 to 018.**011** 55 Taunton Road East**012** City Province, territory, or state
015 Ajax **016** ON**017** Country (other than Canada) Postal or ZIP code
018 L1T 3V3**Mailing address** (if different from head office address)Has this address changed since the last time we were notified? **020** Yes ☐ No ☒If **yes**, complete lines 021 to 028.**021** c/o
022
023 City Province, territory, or state
025 Country (other than Canada) Postal or ZIP code
026
027 **028****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 ☒If **yes**, complete lines 031 to 038.**031**
032 City Province, territory, or state
035 Country (other than Canada) Postal or ZIP code
036
037 **038****040** Type of corporation at the end of the tax year (tick one)

- ☒ 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 ☒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 ☒**Is the corporation a professional corporation that is a member of a partnership?** **067** Yes ☐ No ☒**Is this the first year of filing after:**
Incorporation? **070** Yes ☐ No ☒
Amalgamation? **071** Yes ☐ No ☒If **yes**, complete lines 030 to 038 and attach Schedule 24.**Has there been a wind-up of a subsidiary under section 88 during the current tax year?** **072** Yes ☐ No ☒
If **yes**, complete and attach Schedule 24.**Is this the final tax year before amalgamation?** **076** Yes ☐ No ☒**Is this the final return up to dissolution?** **078** Yes ☐ No ☒**If an election was made under section 261, state the functional currency used** **079** _____**Is the corporation a resident of Canada?** **080** Yes ☒ No ☐
If **no**, give the country of residence on line 081 and complete and attach Schedule 97.**081** _____
Is the non-resident corporation claiming an exemption under an income tax treaty? **082** Yes ☐ No ☒
If **yes**, complete and attach Schedule 91.**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****098**

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 ☒	9
Is the corporation an associated CCPC?	160 ☒	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 ☒	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 ☒	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 ☐	7
Does the corporation have any property that is eligible for capital cost allowance?	208 ☒	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 ☒	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over \$10,000,000?	234 ☒	
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?	☐	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?	☐	T1135
Did the corporation transfer or loan property to a non-resident trust?	☐	T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	☐	T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	☐	T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	☐	T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	☐	T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	☒	55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	☐	T2002
Has the corporation revoked any previous election made under subsection 89(11)?	☐	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?	☒	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?	☐	54

Additional information

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	Yes	☒	No	☐
Is the corporation inactive?	280	Yes	☐	No	☒
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	Electric Power Distribution in Canada		285	100.000 %
	286			287	%
	288			289	%
Did the corporation immigrate to Canada during the tax year?	291	Yes	☐	No	☒
Did the corporation emigrate from Canada during the tax year?	292	Yes	☐	No	☒
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 GIF	300	4,364,473	A
Deduct:			
Charitable donations from Schedule 2	311	226,455	
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		226,455	B
Subtotal (amount A minus amount B) (if negative, enter "0")		4,138,018	C
Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355		D
Taxable income (amount C plus amount D)	360	4,138,018	
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)		4,138,018	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	4,364,473	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	4,138,018	B
Business limit (see notes 1 and 2 below)	410	500,000	C

Notes:

- 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.
- 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 ***	446,071	D	=	19,825,378	E
				11,250				

Passive income business limit reduction

Adjusted aggregate investment income from Schedule 7****	417	—	50,000	=	F
Amount C	500,000	x	Amount F	=	G
	100,000				

Subtotal (the greater of amount E and amount G)	422	19,825,378	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	x	17.5 % =	1
		Number of days in the tax year	365		
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 x	18 % =	2
		Number of days in the tax year	365		
Amount A, B, C, or L, whichever is the least	x	Number of days in the tax year after December 31, 2018	x	19 % =	3
		Number of days in the tax year	365		

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	P Income paid under clause 125(1)(a)(i)(B) to the corporation identified in column O ³	Q Business limit assigned to corporation identified in column O ⁴
	490	500	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)	4,138,018	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")	4,138,018	H
General tax reduction for Canadian-controlled private corporations – Amount H multiplied by 13 %	537,942	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					4,138,018	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")					4,138,018	K	
				x	30 2 / 3 %	=	
							1,268,992 L
Part I tax payable minus investment tax credit refund (line 700 minus line 780 from page 9)							418,205 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	4,600,000	x	38 1 / 3 %	=	1,763,333	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 (ERDTH) 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 (NERDTH) 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 ERDTH transferred on an amalgamation or the wind-up of a subsidiary	525		O
ERDTH 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 ERDTH (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 NERDTH transferred on an amalgamation or the wind-up of a subsidiary	540		V
NERDTH 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 NERDTH, net of losses claimed (amount U minus amount X) (if negative enter "0")			Y
NERDTH 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 ERDTH, 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
ERDTH 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
ERDTH 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
NERDTH 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	1,572,447	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	4,138,018		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)	4,138,018	4,138,018	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)		1,572,447	I
Deduct:			
Small business deduction from line 430 on page 4			J
Federal tax abatement	608	413,802	
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	537,942	
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	202,498	
Subtotal		1,154,242	K
Part I tax payable – Amount I minus amount K		418,205	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	418,205
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 418,205

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) 760 409,684

Total tax payable 770 827,889 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 1,287,500

Labour tax credit for qualifying journalism organizations

Total credits 890 1,287,500 1,287,500 B

Balance (amount A minus amount B) -459,611

Refund code 894 1 Refund 459,611

Direct deposit request

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

☐ Start ☐ Change information 910 Branch number

914 Institution number 918 Account number

If the result is negative, you have 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.

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

CertificationI, 950 Hermans 951 Andrew 954 Interim CFO, VP, Reg Affairs
Last name First name 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 2019-07-09
Date (yyyy/mm/dd)

Signature of the authorized signing officer of the corporation

956 (905) 427-9870
Telephone numberIs the contact person the same as the authorized signing officer? If **no**, complete the information below957 Yes ☒ No ☐

958 Name of other authorized person

959 Telephone number

Language of correspondence – Langue de correspondanceIndicate 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

Name of corporation contact	Veridian Connections Inc.
Telephone number	(905) 427-9870

Transfer				
Account number	Taxation year end	Amount	Effective interest date	Description
From:				
To:				
From:				
To:				
From:				
To:				
From:				
To:				
From:				
To:				



Form identifier 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIF1

Corporation's name	Business number	Tax year end Year Month Day
Veridian Connections Inc.		2018-12-31

Balance sheet information

Account	Description	GIFI	Current year	Prior year
Assets				
	Total current assets	1599 +	61,624,504	65,907,254
	Total tangible capital assets	2008 +	327,286,498	295,563,281
	Total accumulated amortization of tangible capital assets	2009 –	50,734,836	39,060,129
	Total intangible capital assets	2178 +	22,252,793	20,836,676
	Total accumulated amortization of intangible capital assets	2179 –	9,548,650	7,959,311
	Total long-term assets	2589 +	7,239,740	3,797,603
	* Assets held in trust	2590 +		
	Total assets (mandatory field)	2599 =	<u>358,120,049</u>	<u>339,085,374</u>

Liabilities				
	Total current liabilities	3139 +	134,386,004	97,009,962
	Total long-term liabilities	3450 +	107,402,081	131,944,126
	* Subordinated debt	3460 +		
	* Amounts held in trust	3470 +		
	Total liabilities (mandatory field)	3499 =	<u>241,788,085</u>	<u>228,954,088</u>

Shareholder equity				
	Total shareholder equity (mandatory field)	3620 +	116,331,964	110,131,286

	Total liabilities and shareholder equity	3640 =	<u>358,120,049</u>	<u>339,085,374</u>

Retained earnings				
	Retained earnings/deficit – end (mandatory field)	3849 =	<u>47,060,244</u>	<u>41,122,383</u>

* Generic item



Form identifier 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Corporation's name	Business number	Tax year end Year Month Day
Veridian Connections Inc.		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 +	336,609,770	332,134,592
Cost of sales	8518 -	281,301,519	279,364,412
Gross profit/loss	8519 =	55,308,251	52,770,180
Cost of sales	8518 +	281,301,519	279,364,412
Total operating expenses	9367 +	47,841,527	44,619,683
Total expenses (mandatory field)	9368 =	329,143,046	323,984,095
Total revenue (mandatory field)	8299 +	340,433,296	334,888,639
Total expenses (mandatory field)	9368 -	329,143,046	323,984,095
Net non-farming income	9369 =	11,290,250	10,904,544

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 =	11,290,250	10,904,544

Total other comprehensive income	9998 =	262,817	24,555

Extraordinary items and income (linked to Schedule 140)

Extraordinary item(s)	9975 -		
Legal settlements	9976 -		
Unrealized gains/losses	9980 +	470,746	1,629,220
Unusual items	9985 -		
Current income taxes	9990 -	880,036	813,445
Future (deferred) income tax provision	9995 -	343,099	677,472
Total – Other comprehensive income	9998 +	262,817	24,555
Net income/loss after taxes and extraordinary items (mandatory field)	9999 =	10,800,678	11,067,402



Notes Checklist

Corporation's name Veridian Connections Inc.	Business number [REDACTED]	Tax Year End Year Month Day 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	☒	No	☐
Is the accountant connected* with the corporation?	097	Yes	☐	No	☒

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 ☒
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	☒

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:

Prepared the tax return (financial statements prepared by client)	110	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	☒	No	☐
If yes , complete lines 104 to 107 below:					
Are subsequent events mentioned in the notes?	104	Yes	☒	No	☐
Is re-evaluation of asset information mentioned in the notes?	105	Yes	☐	No	☒
Is contingent liability information mentioned in the notes?	106	Yes	☒	No	☐
Is information regarding commitments mentioned in the notes?	107	Yes	☒	No	☐
Does the corporation have investments in joint venture(s) or partnership(s)?	108	Yes	☐	No	☒

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.

SCHEDULE 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIF

Form identifier 100

Name of corporation	Business Number	Tax year-end Year Month Day
Veridian Connections Inc.		2018-12-31

Assets – lines 1000 to 2599

1000	1,299,007	1060	23,806,867	1061	-723,265
1062	32,004,503	1120	3,272,032	1400	634,592
1483	175,920	1484	1,154,848	1599	61,624,504
1900	327,286,498	1901	-50,734,836	2008	327,286,498
2009	-50,734,836	2010	13,506,596	2011	-9,548,650
2012	8,746,197	2178	22,252,793	2179	-9,548,650
2420	7,239,740	2589	7,239,740	2599	358,120,049

Liabilities – lines 2600 to 3499

2620	45,216,321	2700	43,588,000	2770	2,196,039
2860	43,126	2920	36,576,923	2960	70,609
2961	6,694,986	3139	134,386,004	3140	66,218,446
3220	27,316,451	3240	1,356,218	3320	12,510,966
3450	107,402,081	3499	241,788,085		

Shareholder equity – lines 3500 to 3640

3500	69,302,002	3540	22,765	3580	-53,047
3600	47,060,244	3620	116,331,964	3640	358,120,049

Retained earnings – lines 3660 to 3849

3660	41,122,383	3680	10,537,861	3700	-4,600,000
3849	47,060,244				

SCHEDULE 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIF

Form identifier 125

Name of corporation	Business Number	Tax year-end Year Month Day
Veridian Connections Inc.		2018-12-31

Description

Sequence number **0003** 01

Other comprehensive income – lines 7000 to 7020

7002 262,817

Revenue – lines 8000 to 8299

8000 336,609,770	8089 336,609,770	8100 162,360
8210 45,228	8230 3,615,938	8299 340,433,296

Cost of sales – lines 8300 to 8519

8320 281,301,519	8518 281,301,519	8519 55,308,251

Operating expenses – lines 8520 to 9369

8522 278,982	8523 44,886	8670 12,006,696
8710 5,399,383	9270 30,111,580	9367 47,841,527
9368 329,143,046	9369 11,290,250	

Extraordinary items and taxes – lines 9970 to 9999

9970 11,290,250	9980 470,746	9990 880,036
9995 343,099	9998 262,817	9999 10,800,678



Net Income (Loss) for Income Tax Purposes

Schedule 1

Corporation's name	Business number	Tax year-end Year Month Day
Veridian Connections Inc.		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 10,800,678 A

Add:

Provision for income taxes – current	101	880,036
Provision for income taxes – deferred	102	343,099
Amortization of tangible assets	104	12,006,696
Charitable donations and gifts from Schedule 2	112	278,982
Scientific research expenditures deducted per financial statements	118	305,630
Non-deductible club dues and fees	120	12,539
Non-deductible meals and entertainment expenses	121	22,443
Reserves from financial statements – balance at the end of the year	126	3,565,588
Subtotal of additions		17,415,013 ►

17,415,013

Other additions:

Miscellaneous other additions:

1 Description	2 Amount		
605	295		
1 OITC/ORDTC/BCRDTC/ABRDTC from prior year under 12(1)(x) ITA	13,206		
2 Vehicle amort. not included in amortization addback above	257,059		
3 other amort. not included above	23,961		
4 Golf Tournament expenses	23,552		
5 12(1)(X) CIAC	6,344,749		
6 Apprenticeship from 2017 sch552 part 4	10,000		
7 Co-op education credit 2017 from sch550 part4	18,000		
8 other non-current assets-rate app	68,767		
9 Apprenticeship from 2017 sch31 part 22	4,000		
10 Deferred Revenue-AFT	556,376		
11 Merger expenses-Eligible Capital Property	990,165		
12 Sick leave cost capitalized for acctg.	28,448		
Total of column 2	8,338,283	296	8,338,283
Subtotal of other additions		199	8,338,283 ►
Total additions		500	25,753,296 ►

8,338,283

25,753,296 B

Amount A plus amount B 36,553,974 C

Deduct:

Gain on disposal of assets per financial statements	401	45,228
Capital cost allowance from Schedule 8	403	17,574,312
SR&ED expenditures claimed in the year on line 460 from Form T661	411	724,053
Reserves from financial statements – balance at the beginning of the year	414	3,884,107
Subtotal of deductions		22,227,700 ►

22,227,700

Other deductions:

Non-taxable/deductible other comprehensive income items	347	262,817

Miscellaneous other deductions:

Canada¹



Charitable Donations and Gifts

Corporation's name Veridian Connections Inc.	Business number [REDACTED]	Tax year-end Year Month Day 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)
Charitable Donations	226,455
	Subtotal 226,455
Add: Total donations of less than \$100 each	
Total donations in current tax year	226,455

Part 1 – Charitable donations

	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	210 226,455	226,455	226,455
(include this amount on line 112 of Schedule 1 Net Income (Loss) for Income Tax Purposes)			
Subtotal (line 250 plus line 210)	226,455 B	226,455	226,455
Subtotal (line 240 plus amount B)	226,455 C	226,455	226,455
Adjustment for an acquisition of control	255		
Total charitable donations available (amount C minus line 255)	226,455 D	226,455	226,455
Amount applied in the current year against taxable income (cannot be more than amount L in Part 2)	260 226,455	226,455	226,455
(enter this amount on line 311 of the T2 return)			
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
1 st prior year	2017-12-31			
2 nd prior year	2016-12-31			
3 rd prior year	2015-12-31			
4 th prior year	2014-12-31			
5 th prior year	2013-12-31			
6 th prior year*	2012-12-31			
7 th prior year	2011-12-31			
8 th prior year	2010-12-31			
9 th prior year	2009-12-31			
10 th prior year	2008-12-31			
11 th prior year	2007-12-31			
12 th prior year	2006-12-31			
13 th prior year	2005-12-31			
14 th prior year	2005-11-21			
15 th prior year	2005-08-08			
16 th prior year	2004-12-31			
17 th prior year	2003-12-31			
18 th prior year	2002-12-31			
19 th prior year	2001-12-31			
20 th prior year	2000-12-31			
21 st prior year*	1999-12-31			
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* multiplied by 75 %		3,273,355	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)		3,273,355	K
Maximum allowable deduction for charitable donations (enter amount D from Part 1, amount K, or net income for tax purposes, whichever is less)		226,455	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

	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 410			
(include this amount on line 112 of Schedule 1)			
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 460			
(enter this amount on line 313 of the T2 return)			
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
1 st prior year 2017-12-31			
2 nd prior year 2016-12-31			
3 rd prior year 2015-12-31			
4 th prior year 2014-12-31			
5 th prior year 2013-12-31			
6 th prior year* 2012-12-31			
7 th prior year 2011-12-31			
8 th prior year 2010-12-31			
9 th prior year 2009-12-31			
10 th prior year 2008-12-31			
11 th prior year 2007-12-31			
12 th prior year 2006-12-31			
13 th prior year 2005-12-31			
14 th prior year 2005-11-21			
15 th prior year 2005-08-08			
16 th prior year 2004-12-31			
17 th prior year 2003-12-31			
18 th prior year 2002-12-31			
19 th prior year 2001-12-31			
20 th prior year 2000-12-31			
21 st prior year* 1999-12-31			
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	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
1 st prior year	2017-12-31			
2 nd prior year	2016-12-31			
3 rd prior year	2015-12-31			
4 th prior year	2014-12-31			
5 th prior year	2013-12-31			
6 th prior year*	2012-12-31			
7 th prior year	2011-12-31			
8 th prior year	2010-12-31			
9 th prior year	2009-12-31			
10 th prior year	2008-12-31			
11 th prior year*	2007-12-31			
12 th prior year	2006-12-31			
13 th prior year	2005-12-31			
14 th prior year	2005-11-21			
15 th prior year	2005-08-08			
16 th prior year	2004-12-31			
17 th prior year	2003-12-31			
18 th prior year	2002-12-31			
19 th prior year	2001-12-31			
20 th prior year	2000-12-31			
21 st prior year*	1999-12-31			
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	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 $\times \left(\frac{b}{c} \right)$ = Additional deduction for gifts of medicine made before March 22, 2017 610			
Québec			
a $\times \left(\frac{b}{c} \right)$ = Additional deduction for gifts of medicine made before March 22, 2017			
Alberta			
a $\times \left(\frac{b}{c} \right)$ = 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)			
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 660			
(enter this amount on line 315 of the T2 return)			
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
1 st prior year	2017-12-31			
2 nd prior year	2016-12-31			
3 rd prior year	2015-12-31			
4 th prior year	2014-12-31			
5 th prior year	2013-12-31			
6 th prior year*	2012-12-31			
7 th prior year	2011-12-31			
8 th prior year	2010-12-31			
9 th prior year	2009-12-31			
10 th prior year	2008-12-31			
11 th prior year	2007-12-31			
12 th prior year	2006-12-31			
13 th prior year	2005-12-31			
14 th prior year	2005-11-21			
15 th prior year	2005-08-08			
16 th prior year	2004-12-31			
17 th prior year	2003-12-31			
18 th prior year	2002-12-31			
19 th prior year	2001-12-31			
20 th prior year	2000-12-31			
21 st prior year*	1999-12-31			
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
1 st prior year	2017-12-31	
2 nd prior year	2016-12-31	
3 rd prior year	2015-12-31	
4 th prior year	2014-12-31	
5 th prior year	2013-12-31	
6 th prior year*	2012-12-31	
7 th prior year	2011-12-31	
8 th prior year	2010-12-31	
9 th prior year	2009-12-31	
10 th prior year	2008-12-31	
11 th prior year	2007-12-31	
12 th prior year	2006-12-31	
13 th prior year	2005-12-31	
14 th prior year	2005-11-21	
15 th prior year	2005-08-08	
16 th prior year	2004-12-31	
17 th prior year	2003-12-31	
18 th prior year	2002-12-31	
19 th prior year	2001-12-31	
20 th prior year	2000-12-31	
21 st prior year*	1999-12-31	
Total		

* These gifts expired in the current year.

**Dividends Received, Taxable Dividends Paid, and
Part IV Tax Calculation**

Corporation's name	Business number	Tax year-end Year Month Day
Veridian Connections Inc.		2018-12-31

- 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); or
 - 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.
- A recipient corporation is **connected** with a payer corporation at any time in a tax year, if at that time the recipient corporation:
 - controls the payer corporation, other than because of a right referred to in paragraph 251(5)(b); or
 - 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 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 and I **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 column J and K use the **special calculations provided in the notes**.

1	A Name of payer corporation (from which the corporation received the dividend)	A1	B Enter 1 if payer corporation is connected	C Business Number of connected corporation	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	E Non-taxable dividends under section 83
	200		205	210	220	230
			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) ^{note 1}	F1	G Eligible dividends included in column F	H Total taxable dividends paid by connected payer corporation (for tax year in column D)	I Dividend refund of the connected payer corporation (for tax year in column D) ^{note 2}	J Part IV tax for eligible dividends. Dividends (from column G) multiplied by 38 1/3% ^{note 3}	K Part IV tax before deductions. Dividends (from column F) multiplied by 38 1/3% ^{note 4}
	240		242	250	260	265	275
1							
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 J or column K whichever one applies. 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.							

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 (ERDTH) at the end of the tax year.

Part IV tax before deductions on taxable dividends received from connected corporations ^{note 5} (amount 1F 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)

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 (ERDTH) at the end of the tax year.

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 eligible 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)

5 To the extent of a dividend refund to the connected payer corporation from its eligible refundable dividend tax on hand (ERDTH). Otherwise, the amount 2E is nil.

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 connected recipient corporation, 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 connected recipient corporation	M Business Number	N Tax year-end of connected recipient corporation in which the dividends in column O were received YYYYMMDD	O Taxable dividends paid to connected corporations	P Eligible dividends included in column O
	400	410	420	430	440
1	Veridian Corporation		2018-12-31	4,600,000	
2					
				4,600,000	
				(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	4,600,000
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	4,600,000

Complete this part to determine the following amounts in order to calculate the dividend refund.

Line 465 multiplied by 38 1 / 3 %		3A
(enter at amount AA on page 7 of the T2 return)		
Line 470 multiplied by 38 1 / 3 %	1,763,333	3B
(enter at amount DD on page 7 of the T2 return)		

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)		4,600,000
Other dividends paid in the tax year (total of 510 to 540)		
Total dividends paid in the tax year	500	4,600,000

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) 4,600,000 4B

Canada Revenue
AgencyAgence du revenu
du Canada

Tax Calculation Supplementary – Corporations

Schedule 5

Corporation's name	Business Number	Tax year-end Year Month Day
Veridian Connections Inc.		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 Yes ☐	103		143		
Newfoundland and Labrador Offshore Yes ☐	104		144		
Prince Edward Island Yes ☐	105		145		
Nova Scotia Yes ☐	107		147		
Nova Scotia Offshore Yes ☐	108		148		
New Brunswick Yes ☐	109		149		
Quebec Yes ☐	111		151		
Ontario Yes ☐	113		153		
Manitoba Yes ☐	115		155		
Saskatchewan Yes ☐	117		157		
Alberta Yes ☐	119		159		
British Columbia Yes ☐	121		161		
Yukon Yes ☐	123		163		
Northwest Territories Yes ☐	125		165		
Nunavut Yes ☐	126		166		
Outside Canada 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
4,138,018		4,138,018	475,872

Ontario basic income tax (from Schedule 500)	270	475,872	
Ontario small business deduction (from Schedule 500)	402		
Subtotal (line 270 minus line 402)		475,872	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)		475,872	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")		475,872	5E
Ontario research and development tax credit (from Schedule 508)	416	47,996	
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")		427,876	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")		427,876	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)		427,876	5I
Ontario qualifying environmental trust tax credit	450		
Ontario co-operative education tax credit (from Schedule 550)	452	12,000	
Ontario apprenticeship training tax credit (from Schedule 552)	454	6,192	
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)		18,192	5J
Net Ontario tax payable or refundable tax credit (amount 5I minus amount 5J)	290	409,684	

(if a credit, enter amount in brackets) Include this amount on line 255.

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	409,684

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.



Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
Veridian Connections Inc.		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 ☒

1 Class number * See note 1	Description	2 Undepreciated capital cost (UCC) at the beginning of the year	3 Cost of acquisitions during the year (new property must be available for use) See note 2	4 Cost of acquisitions from column 3 that are accelerated investment incentive properties (AIIP) See note 3	5 Adjustments and transfers See note 4	6 Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition See note 5	7 Amount from column 5 that is repaid during the year for a property, subsequent to its disposition See note 6	8 Proceeds of dispositions See note 7	For tax years ending before November 21, 2018: 50% rule (1/2 of net acquisitions)
200		201	203	225	205	221	222	207	211
1. 1	Trans/dist before Feb 22/05	83,277,636						0	
2. 1b	Building - Office	9,436,002	761,516	113,121				0	
3. 8	Equipment	4,454,572	903,175	223,905				0	
4. 10	Vehicles	2,949,507	408,748	39,648				68,142	
5. 10.1	Vehicle #115 2012 Chevy Volt							N/A	
6. 10.1	Vehicle #116 2012 Chevy Volt							N/A	
7. 10.1	Vehicle #250 2009 Silverado Hybrid	1,661						N/A	
8. 10.1	Vehicle #284 2008 Ford Escape	1,148						N/A	
9. 10.1	Vehicle #285 2008 Ford Escape	1,146						N/A	
10. 10.1	Vehicle #302 2009 Ford Escape Hybrid	2,373						N/A	
11. 12	Software	443,165	594,421	157,882				0	
12. 13	Leaseholds	3,238	248,998					0	
13. 42	Fibre Optics	2,467						0	
14. 45	Computers >22-03-04 & <19-03-07	1,069						0	
15. 47	Trans/Distrib acquired after Feb 22, 2001	112,933,527	17,156,106	1,425,575				90,772	
16. 50	Hardware acquisitions	850,264	301,839	100,186				0	
17. 95	WIP no depreciation taken	11,397,824	5,974,150					0	
18. 43.2	Clean energy generation	40,793						0	
19. 14.1	Eligible Capital Property	4,153,681	1,033,372					0	
Totals		229,950,073	27,382,325	2,060,317				158,914	

	1 Class number * See note 1	Des- crip- tion	9 UCC (column 2 plus column 3 plus or minus column 5 See note 8	10 Proceeds of disposition available to reduce the UCC of AIIP (column 8 plus column 6 plus 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	14 CCA rate % See note 11	15 Recapture of CCA See note 12	16 Terminal loss See note 13	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	18 UCC at the end of the year (column 9 minus column 17)
	200						224	212	213	215	217	220
1.	1	Transp	83,277,636					4	0	0	3,331,105	79,946,531
2.	1b	Buildin	10,197,518		113,121	56,561	324,198	6	0	0	595,793	9,601,725
3.	8	Equipm	5,357,747		223,905	111,953	339,635	20	0	0	1,026,013	4,331,734
4.	10	Vehicle	3,290,113		39,648	19,824	150,479	30	0	0	947,837	2,342,276
5.	10.1	Vehicle						30	N/A	N/A		
6.	10.1	Vehicle						30	N/A	N/A		
7.	10.1	Vehicle	1,661					30	N/A	N/A	498	1,163
8.	10.1	Vehicle	1,148					30	N/A	N/A	344	804
9.	10.1	Vehicle	1,146					30	N/A	N/A	344	802
10.	10.1	Vehicle	2,373					30	N/A	N/A	712	1,661
11.	12	Softwa	1,037,586		157,882		218,270	100	0	0	819,316	218,270
12.	13	Leaseh	252,236					NA	0	0	51,823	200,413
13.	42	Fibre C	2,467					12	0	0	296	2,171
14.	45	Compu	1,069					45	0	0	481	588
15.	47	Transp	129,998,861		1,425,575	712,788	7,819,880	8	0	0	9,831,342	120,167,519
16.	50	Hardw	1,152,103		100,186	50,093	100,827	55	0	0	605,753	546,350
17.	95	WIP nc	17,371,974					0	0	0		17,371,974
18.	43.2	Clean e	40,793					50	0	0	20,397	20,396
19.	14.1	Eligible	5,187,053					5	0	0	342,258	4,844,795
Totals			257,173,484		2,060,317	951,219	8,953,289				17,574,312	239,599,172

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).

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
Veridian Connections Inc.	[REDACTED] [REDACTED] [REDACTED]	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.	Veridian Corporation		[REDACTED]	1					
2.	Veridian Energy Inc.		[REDACTED]	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	Employee Future Liability	2,890,907			191,702	2,699,205
2	Sick leave liability	993,200			126,817	866,383
3						
	Reserves from Part 2 of Schedule 13					
	Totals	3,884,107			318,519	3,565,588

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.



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:

- Associated for purposes of allocating the business limit (unless association code 5 applies)
- 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
- Non-CCPC that is a **third corporation**
- Associated non-CCPC
- 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	2 Business number of associated corporations	3 Association code	4 Business limit for the year before the allocation \$	5 Percentage of the business limit %	6 Business limit allocated* \$
100	200	300		350	400
1 Veridian Connections Inc.	■■■■	1	500,000	100.0000	500,000
2 Veridian Corporation	■■■■	1	500,000		
3 Veridian Energy Inc.	■■■■	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 $0.225\% \times (D - \$10,000,000)$. 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.



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 to 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 Veridian Connections Inc.	Business number [REDACTED]	Tax year-end Year Month Day 2018-12-31

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:

- 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 ☒

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.

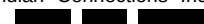
* Enter only contributions not already included on Form T661.

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

	<table border="1" style="border-collapse: collapse;"> <tr> <th style="padding: 2px;">Year</th> <th style="padding: 2px;">Month</th> <th style="padding: 2px;">Day</th> </tr> <tr><td style="height: 15px;"></td><td></td><td></td></tr> <tr><td style="height: 15px;"></td><td></td><td></td></tr> <tr><td style="height: 15px;"></td><td></td><td></td></tr> </table>	Year	Month	Day											901 902 903
Year	Month	Day													
1st previous tax year		Credit to be applied													
2nd previous tax year		Credit to be applied													
3rd previous tax year		Credit to be applied													
Total of lines 901 to 903			H1												
Enter at amount a in Part 5.															

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)	1,323,318	
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)*	1,323,318	350 1,323,318
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 1,323,318

* 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 ☒ 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 = 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** 1,323,318

Amount from line 430 x Number of days in the tax year before 2014 x 20% = c

Amount from line 430** x Number of days in the tax year after 2013 365 x 15 % = 198,498 d

Subtotal (amount c **plus** amount d) 198,498 198,498 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 x 20% = f

Amount from line 450** x Number of days in the tax year after 2013 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) 198,498 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%.

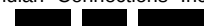
*** If you were a Canadian-controlled private corporation (CCPC), this percentage was applied to the portion that you claimed of the SR&ED qualified expenditure pool that did not exceed your expenditure limit at the time. This percentage includes the rate under subsection 127(10.1), **additions to investment 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		M2
Credit deemed as a remittance of co-op corporations	510	
Credit expired	515	
Subtotal (line 510 plus line 515)	520	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)	540 198,498	
Credit allocated from a partnership	550	
Subtotal (total of lines 530 to 550)	198,498	198,498 O2
Total credit available (line 520 plus amount O2)	520 198,498	P2
Credit deducted from Part I tax	560 198,498	
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)	198,498	198,498 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 k 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) 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	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)	Amount from column 700 or 710, whichever is less
700	710	
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	B	C	D	E	F
Rate that the transferee used in determining its ITC for qualified expenditures under a subsection 127(13) agreement	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	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.)	Amount determined by the formula $(A \times B) - C$	ITC earned by the transferee for the qualified expenditures that were transferred	Amount from column D or E, whichever is less
720	730	740		750	
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)	.....	F3
Enter at amount A8 in Part 29.		

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.	===== 14

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.)

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
1.	SYS006210	Powerline Technician			

A Contract number (SIN or name of apprentice)	B Name of eligible trade	C Eligible salary and wages*	D Column C x 10 %	E Lesser of column D or \$ 2,000
601	602	603	604	605
2. SYS009799	Powerline Technician			
Total current-year credit (total of column E) Enter on line 640 in Part 22.				4,000 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	4,000		
Credit allocated from a partnership	655			
Subtotal (total of lines 630 to 655)		4,000		D5
Total credit available (line 625 plus amount D5)			4,000	E5
Credit deducted from Part I tax	660	4,000		
Credit carried back to previous years (amount G5 in Part 23)			r	
Subtotal (line 660 plus amount r)		4,000		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

1st previous tax year	Year	Month	Day	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						G5
Enter at amount r in Part 22.						

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	Description of investment	Date available for use	Amount of investment
665	675	685	695
1.			
Total cost of depreciable property from the current tax year (total of column 695)			715

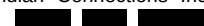
Specified child care start-up expenditures from the current tax year	705	
Total gross eligible expenditures for child care spaces (line 715 plus line 705)		A6
Total of all assistance (including grants, subsidies, rebates, and forgivable loans) or reimbursements that the corporation has received or is 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						K6
Enter at amount s in Part 26.						

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)

198,498

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)

4,000

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)

202,498

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)
	198,498	198,498			
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					
2005-11-21					
2005-08-08					
2004-12-31					
2003-12-31					
2002-12-31					
2001-12-31					
2000-12-31					*
	Total				
B+C+D+G				Total ITC utilized	198,498

* 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.

Summary of Investment Tax Credit Carryovers

Continuity of investment tax credit carryovers

CCA class number	97	Apprenticeship job creation 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)
	4,000	4,000			
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					
2005-11-21					
2005-08-08					
2004-12-31					
2003-12-31					
2002-12-31					
2001-12-31					
2000-12-31					*
	Total				
B+C+D+G				Total ITC utilized	4,000

* 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.



Taxable Capital Employed in Canada – Large Corporations

Corporation's name	Business number	Tax year-end Year Month Day
Veridian Connections Inc.		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:

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	69,302,002
Retained earnings	104	47,060,244
Contributed surplus	105	
Any other surpluses	106	22,765
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)		116,385,011
		116,385,011 A

Note:

Line 112 is determined by the formula $(A - B) \times C/D$ (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) 116,385,011 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** 116,385,011

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) 116,385,011 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** 116,385,011

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)	116,385,011	x	Taxable income earned in Canada	610		4,138,018	=	Taxable capital employed in Canada	690		116,385,011
			Taxable income			4,138,018					

- 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.

SHAREHOLDER INFORMATION

Name of corporation	Business Number	Tax year end Year Month Day
Veridian Connections Inc.	[REDACTED]	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.

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



General Rate Income Pool (GRIP) Calculation

Corporation's name Veridian Connections Inc.	Business number [REDACTED]	Tax year-end Year Month Day 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	69,270,517	A
Taxable income for the year (DICs enter "0") *	110	4,138,018	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	4,138,018	
After-tax income (line 150 multiplied by 0.72 (the general rate factor for the tax year))	190	2,979,373	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)		72,249,890	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	72,249,890	
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)	590	72,249,890	

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.

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 3,695,045 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) C1

Subtotal (amount B1 **plus** amount C1) ► D1

Subtotal (amount A1 **minus** amount D1) (if negative, enter "0") 3,695,045 ► 3,695,045 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 5,031,021 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") 5,031,021 ► 5,031,021 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 5,732,325 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") 5,732,325 ► 5,732,325 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 Postamalgamation . . . ☐ Postwind-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.



Part III.1 Tax on Excessive Eligible Dividend Designations

Corporation's name	Business number	Tax year-end Year Month Day
Veridian Connections Inc.		2018-12-31

- 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 completed 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 (GRIP), and low rate income pool (LRIP).
- 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.

Do not use this area

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	.....	4,600,000
Total taxable dividends paid in the tax year	.....	100 4,600,000
Total eligible dividends paid in the tax year	.....	150 A
GRIP at the end of the tax year (line 590 on Schedule 53) (if negative, enter "0")	.....	160 72,249,890 B
Excessive eligible dividend designation (line 150 minus line 160)	.....	C
Deduct:		
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *	.....	180 D
Subtotal (amount C minus amount D)		E
Part III.1 tax on excessive eligible dividend designations – CCPC or DIC (amount E multiplied by 20 %)	.....	190 F
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 from line A of Schedule 54)	.....	G
Deduct:		
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *	.....	280 H
Subtotal (amount G minus amount H)		I
Part III.1 tax on excessive eligible dividend designations – Other corporations (amount I multiplied by 20 %)	.....	290 J
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. For more information on how to make this election, go to www.cra.gc.ca/eligibledividends.



Ontario Corporation Tax Calculation

Corporation's name	Business number	Tax year-end Year Month Day
Veridian Connections Inc.		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 *	4,138,018	A
Ontario basic rate of tax for the year	11.5 %	B
Ontario basic income tax (amount A multiplied by amount B **)	475,872	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	4,364,473	1
Amount from line 405 of the T2 return	4,138,018	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):		E
Taxable income for Ontario *	4,138,018.00	
Taxable income for all provinces **	4,138,018	
Amount D multiplied by amount E		4
Ontario taxable income (amount A from Part 1)	4,138,018	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	365	x 7 % = % G1
Number of days in the tax year after December 31, 2017	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)

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) 0

Enter amount O on line 410 of Schedule 5.



Ontario Research and Development Tax Credit

Corporation's name	Business number	Tax year-end Year Month Day
Veridian Connections Inc.		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	1,371,314	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")		1,371,314	C
Eligible expenditures transferred to the corporation by another corporation	110		D
Subtotal (amount C plus amount D)		1,371,314	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	1,371,314	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 x 4.5 % = % 4

Number of days in the tax year

Number of days in the tax year after May 31, 2016 x 3.5 % = % 5

Number of days in the tax year

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) 1,371,314 x 3.5 % = **202** 47,996 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** 47,996 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 47,996 CC
(amount P, T or X in Part 3 whichever applies)

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) 47,996 ▶ 47,996 EE

ORDTC available for deduction (total of amounts AA, BB and EE) 47,996 ▶ 47,996 FF

ORDTC claimed ** 47,996 GG
(Enter amount GG on line 416 on page 5 of Schedule 5, *Tax Calculation Supplementary – Corporations*)

ORDTC carried back to previous tax years (from Part 5) HH

Subtotal (amount GG **plus** amount HH) 47,996 ▶ 47,996 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		
1 st previous tax year	2017-12-31			 Credit to be applied	901
2 nd previous tax year	2016-12-31			 Credit to be applied	902
3 rd 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)			Credit available	Tax year of origin (earliest tax year first)			Credit available
Year	Month	Day		Year	Month	Day	
2000	12	31		2008	12	31	
2001	12	31		2009	12	31	
2002	12	31		2010	12	31	
2003	12	31		2011	12	31	
2004	12	31		2012	12	31	
2005	08	08		2013	12	31	
2005	11	21		2014	12	31	
2005	12	31		2015	12	31	
2006	12	31		2016	12	31	
2007	12	31		2017	12	31	
				2018	12	31	

Current tax year

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		LL	MM
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		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)	Amount from column 700 or 710, whichever is less
700		710	
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	PP	QQ
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	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	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)
720	730	740
1.		

RR	SS	TT
Amount determined by the formula (OO x PP) - QQ (using the columns above)	Federal ITC earned by the transferee for the qualified expenditure that was transferred	Amount from column RR or SS, whichever is less
	750	
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		917,137	
Add			
• payment of prior years' unpaid expenses (other than salary or wages)	+		
• prescribed proxy amount (Enter "0" if you use the traditional method)	+	454,177	
• expenditures on shared-use equipment			+
• other additions	+		+
Subtotal	=	1,371,314	=
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	-		
• 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	=	1,371,314	= II
Total eligible expenditures incurred by the corporation in Ontario in the tax year (add amount I and II)			= 1,371,314 III

Enter amount III on line 100 of Schedule 508.



Ontario Corporate Minimum Tax

Corporation's name	Business number	Tax year-end Year Month Day
Veridian Connections Inc.		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	358,120,049
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	119,064,910
Total assets (total of lines 112 to 116)		477,184,959
Total revenue of the corporation for the tax year **	142	340,433,296
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	8,692,544
Total revenue (total of lines 142 to 146)		349,125,840

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	10,800,678
Add (to the extent reflected in income/loss):		
Provision for current income taxes/cost of current income taxes	220	880,036
Provision for deferred income taxes (debits)/cost of future income taxes	222	343,099
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	1,223,135 ▶
		1,223,135 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	382	
383	384	
385	386	
387	388	
389	390	
	Subtotal	▶ B
Adjusted net income/loss for CMT purposes (line 210 plus amount A minus amount B)	490	12,023,813

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 GIF1 (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** 12,023,813

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** 12,023,813

Amount from line 520 12,023,813 x $\frac{\text{Number of days in the tax year before July 1, 2010}}{\text{Number of days in the tax year}}$ x 4 % = 1
365

Amount from line 520 12,023,813 x $\frac{\text{Number of days in the tax year after June 30, 2010}}{\text{Number of days in the tax year}}$ x 2.7 % = 2
365

Subtotal (amount 1 **plus** amount 2) 324,643 **3**

Gross CMT: amount on line 3 above x OAF ** **540** 324,643

Deduct:

Foreign tax credit for CMT purposes *** **550**

CMT after foreign tax credit deduction (line 540 **minus** line 550) (if negative, enter "0") 324,643 **D**

Deduct:

Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5) 427,876

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 *	.....	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)	.....	
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 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)	 427,876	1
For a corporation that is not a life insurance corporation:		
CMT after foreign tax credit deduction (amount D from Part 3)	 324,643	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:	6
	Subtotal (if negative, enter "0")	103,233 N
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)	 427,876	
Deduct:		
Total refundable tax credits excluding Ontario qualifying environmental trust tax credit (amount J6 minus line 450 from Schedule 5)	 18,192	
	Subtotal (if negative, enter "0")	409,684 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.

**ONTARIO CORPORATE MINIMUM TAX – TOTAL ASSETS
AND REVENUE FOR ASSOCIATED CORPORATIONS**

Name of corporation	Business Number	Tax year-end Year Month Day
Veridian Connections Inc.		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	Business number (Canadian corporation only) (see Note 1)	Total assets* (see Note 2)	Total revenue** (see Note 2)
	200	300	400	500
1	Veridian Corporation		118,857,670	8,688,651
2	Veridian Energy Inc.		207,240	3,893
		450	550	
	Total		119,064,910	8,692,544

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.

**CORPORATIONS INFORMATION ACT ANNUAL RETURN FOR ONTARIO CORPORATIONS**

Name of corporation	Business Number	Tax year-end Year Month Day
Veridian Connections Inc.		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) Veridian Connections Inc.			
Jurisdiction incorporated, continued, or amalgamated, whichever is the most recent Ontario	110 Date of incorporation or amalgamation, whichever is the most recent Year Month Day 2005-11-22	120 Ontario Corporation No. 	

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

200 Care of (if applicable)			
210 Street number 55	220 Street name/Rural route/Lot and Concession number Taunton Road East	230 Suite number	
240 Additional address information if applicable (line 220 must be completed first)			
250 Municipality (e.g., city, town) Ajax	260 Province/state ON	270 Country CA	280 Postal/zip code L1T 3V3

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 Hermans **451** Andrew
Last name 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.



ONTARIO CO-OPERATIVE EDUCATION TAX CREDIT

Name of corporation	Business Number	Tax year-end Year Month Day
Veridian Connections Inc.		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
	(905) 427-9870

Is the claim filed for a CETC earned through a partnership? **150** 1 Yes ☐ 2 No ☒

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 ☒	2 No ☐
2. Was the corporation exempt from tax under Part III of the <i>Taxation Act, 2007</i> (Ontario)?	210	1 Yes ☐	2 No ☒

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 amountCorporation's salaries and wages paid in the previous tax year * **300** 25,659,506

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:

$$\text{Eligible percentage} = 15\% - \left[5\% \times \left(\frac{\text{amount on line 300} - \$400,000}{\$200,000} \right) \right]$$

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:

$$\text{Eligible percentage} = 30\% - \left[5\% \times \left(\frac{\text{amount on line 300} - \$400,000}{\$200,000} \right) \right]$$

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.		Powerline Technician
2.		Powerline Technician
3.		Powerline Technician
4.		Powerline Technician

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.		

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)		F2 Eligible expenditures after March 26, 2009 (see note 1 below)		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)
	450		452			
1.		10.000 %		25.000 %		16
2.		10.000 %		25.000 %		16
3.		10.000 %		25.000 %		17
4.		10.000 %		25.000 %		18

	G Eligible amount (eligible expenditures multiplied by eligible percentage) (see note 2 below)	H Maximum CETC per WP (see note 3 below)	I CETC on eligible expenditures (column G or H, whichever is less)	J CETC on repayment of government assistance (see note 4 below)	K CETC for each WP (column I or column J)
	460	462	470	480	490
1.		3,000			
2.		3,000			
3.		3,000			
4.		3,000			

Ontario co-operative education tax credit (total of amounts in column K) **500**

12,000 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:

$(\$1,000 \times X/Y) + [\$3,000 \times (Y - X)/Y]$

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.



Ontario Apprenticeship Training Tax Credit

Corporation's name	Business number	Tax year-end Year Month Day
Veridian Connections Inc.		2018-12-31

- Use this schedule to claim an Ontario apprenticeship training tax credit (ATTC) under section 89 of the *Taxation Act, 2007* (Ontario).
- The ATTC is a refundable tax credit that is equal to a specified percentage (25% to 45%) of the eligible expenditures incurred by a corporation for a qualifying apprenticeship. For eligible expenditures incurred after March 26, 2009 for an apprenticeship program that began before April 24, 2015, the maximum credit for each qualifying apprenticeship is \$10,000 per year to a maximum credit of \$40,000 over the first 48-month period of the qualifying apprenticeship. For an apprenticeship program that began after April 23, 2015, the maximum credit for each qualifying apprenticeship is \$5,000 per year to a maximum credit of \$15,000 over the first 36-month period of the qualifying apprenticeship.
- Eligible expenditures are salaries and wages (including taxable benefits) paid to an apprentice in a qualifying apprenticeship or fees paid to an employment agency for the provision of services performed by the apprentice in a qualifying apprenticeship. These expenditures must be:
 - paid on account of employment or services, as applicable, at a permanent establishment of the corporation in Ontario;
 - for services provided by the apprentice during the first 48 months of the apprenticeship program, if an apprenticeship program began before April 24, 2015; and
 - for services provided by the apprentice during the first 36 months of the apprenticeship program, if an apprenticeship program began after April 23, 2015.
- An expenditure is not eligible for an ATTC if:
 - the same expenditure was used, or will be used, to claim a co-operative education tax credit; or
 - it is more than an amount that would be paid to an arm's length apprentice.
- An apprenticeship must meet the following conditions to be a qualifying apprenticeship:
 - the apprenticeship is in a qualifying skilled trade approved by the Ministry of Training, Colleges and Universities (Ontario) or a person designated by him or her; and
 - the corporation and the apprentice must be participating in an apprenticeship program in which the training agreement has been registered under the *Ontario College of Trades and Apprenticeship Act, 2009*, or the *Apprenticeship and Certification Act, 1998*, or in which the contract of apprenticeship has been registered under the *Trades Qualification and Apprenticeship Act*.
- Do not submit the training agreement or contract of apprenticeship with your *T2 Corporation Income Tax Return*. Keep a copy of the training agreement or contract of apprenticeship to support your claim.
- File this schedule with your *T2 Corporation Income Tax Return*.

Part 1 – Corporate information

110 Name of person to contact for more information	120 Telephone number
	(905) 427-9870
Is the claim filed for an ATTC earned through a partnership? *	150 1 Yes ☐ 2 No ☒
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 ATTC 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 552 for the partnership as if the partnership were a corporation. Each corporate partner, other than a limited partner, should file a separate Schedule 552 to claim the partner's share of the partnership's ATTC. The total of the partners' allocated amounts can never exceed the amount of the partnership's ATTC.	

Part 2 – Eligibility

1. Did the corporation have a permanent establishment in Ontario in the tax year?	200 1 Yes ☒ 2 No ☐
2. Was the corporation exempt from tax under Part III of the <i>Taxation Act, 2007</i> (Ontario)?	210 1 Yes ☐ 2 No ☒
If you answered no to question 1 or yes to question 2, then you are not eligible for the ATTC.	

Part 3 – Specified percentageCorporation's salaries and wages paid in the previous tax year * **300** 25,659,506**For eligible expenditures incurred after March 26, 2009 for an apprenticeship program that began before April 24, 2015:**

- If line 300 is \$400,000 or less, enter 45% on line 312.
- If line 300 is \$600,000 or more, enter 35% 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:

$$\text{Specified percentage} = 45\% - \left[10\% \times \left(\frac{\text{amount on line 300} - 400,000}{200,000} \right) \right]$$

Specified percentage **312** 35.000 %**For eligible expenditures incurred for an apprenticeship program that began after April 23, 2015:**

- If line 300 is \$400,000 or less, enter 30% on line 314.
- If line 300 is \$600,000 or more, enter 25% on line 314.
- If line 300 is more than \$400,000 and less than \$600,000, enter the percentage on line 314 using the following formula:

$$\text{Specified percentage} = 30\% - \left[5\% \times \left(\frac{\text{amount on line 300} - 400,000}{200,000} \right) \right]$$

Specified percentage **314** 25.000 %

* If this is the first tax year of an amalgamated corporation and subsection 89(6) of the *Taxation Act, 2007* (Ontario) applies, enter salaries and wages paid in the previous tax year by the predecessor corporations.

Part 4 – Ontario apprenticeship training tax credit

Complete a **separate entry** for each apprentice for each qualifying apprenticeship with the corporation. When claiming an ATTC for repayment of government assistance, complete a **separate entry** for each repayment, and complete columns A to G and M and N with the details for the employment period in the previous tax year in which the government assistance was received.

	A Trade code	B Apprenticeship program/trade name	C Name of apprentice			
			410			
1.	434a	Powerline Technician				
2.	434a	Powerline Technician				

	D Original contract or training agreement number	E Original registration date of apprenticeship contract or training agreement (YYYYMMDD) (see note 1)	F Start date of employment as an apprentice in the tax year (YYYYMMDD) (see note 2)	G End date of employment as an apprentice in the tax year (YYYYMMDD) (see note 3)
1.	SYS6210	2016-04-13		
2.	SYS009799	2016-07-18		

Note 1: Enter the original registration date of the apprenticeship contract or training agreement in all cases, even when multiple employers employed the apprentice.

Note 2: When there are multiple employment periods as an apprentice in the tax year with the corporation, enter the date that is the first day of employment as an apprentice in the tax year with the corporation. When claiming an ATTC for repayment of government assistance, enter the start date of employment as an apprentice for the tax year in which the government assistance was received.

Note 3: When there are multiple employment periods as an apprentice in the tax year with the corporation, enter the date that is the last day of employment as an apprentice in the tax year with the corporation. When claiming an ATTC for repayment of government assistance, enter the end date of employment as an apprentice for the tax year in which the government assistance was received.

Part 4 – Ontario apprenticeship training tax credit (continued)

	H1 Number of days in the tax year employed as an apprentice in a qualifying apprenticeship program that began before April 24, 2015 (see note 1) 442	H2 Number of days in the tax year employed as an apprentice in a qualifying apprenticeship program that began after April 23, 2015 (see note 1) 443	I Maximum credit amount for the tax year (see note 2) 445
1.		365	5,000
2.		87	1,192

Note 1: When there are multiple employment periods as an apprentice in the tax year with the corporation, do not include days in which the individual was not employed as an apprentice.

For H1: The days employed as an apprentice must be within 48 months of the registration date provided in column E.

For H2: The days employed as an apprentice must be within 36 months of the registration date provided in column E.

Note 2: Maximum credit = $(\$10,000 \times H1/365^*)$ or $(\$5,000 \times H2/365^*)$, whichever applies.

* 366 days, if the tax year includes February 29

	J1 Eligible expenditures incurred after March 26, 2009 for a qualifying apprenticeship program that began before April 24, 2015 (see note 3) 452	J2 Eligible expenditures incurred for a qualifying apprenticeship program that began after April 23, 2015 (see note 3) 453	K Eligible expenditures multiplied by specified percentage (see note 4) 460
1.			
2.			

Note 3: Reduce eligible expenditures by all government assistance, as defined under subsection 89(19) of the *Taxation Act, 2007* (Ontario), that the corporation has received, is entitled to receive, or may reasonably expect to receive, in respect of the eligible expenditures, on or before the filing due date of the *T2 Corporation Income Tax Return* for the tax year.

For J1: Eligible expenditures must be for services provided by the apprentice to the taxpayer during the first 48 months of the apprenticeship program, and not relating to services performed before the apprenticeship program began or after it ended.

For J2: Eligible expenditures must be for services provided by the apprentice to the taxpayer during the first 36 months of the apprenticeship program, and not relating to services performed before the apprenticeship began or after it ended.

Note 4: Calculate the amount in column K as follows:

Column K = $(J1 \times \text{line 312})$ or $(J2 \times \text{line 314})$, whichever applies.

	L ATTC on eligible expenditures (lesser of columns I and K) 470	M ATTC on repayment of government assistance (see note 5) 480	N ATTC for each apprentice (column L or M, whichever applies) 490
1.			
2.			

Ontario apprenticeship training tax credit (total of amounts in column N)

500 6,192 **O**

Or, if the corporation answered **yes** at line 150 in Part 1, determine the partner's share of amount O:

Amount O _____ $\times$ percentage on line 170 in Part 1 _____ $\%$ = _____ **P**

Enter amount O or P, whichever applies, on line 454 of Schedule 5, *Tax Calculation Supplementary – Corporations*. If you are filing more than one Schedule 552, **add** the amounts from line O or P, whichever applies, on all the schedules, and enter the total amount on line 454 of Schedule 5.

Note 5: Include the amount of government assistance repaid in the tax year multiplied by the specified percentage for the tax year in which the government assistance was received, to the extent that the government assistance reduced the ATTC in that tax year. Complete a **separate entry** for each repayment of government assistance.

See the privacy notice on your return.

Corporate Taxpayer Summary

Corporate information

Corporation's name Veridian Connections Inc.																
Taxation Year 2018-01-01 to 2018-12-31																
Jurisdiction Ontario																
BC	AB	SK	MB	ON	QC	NB	NS	NO	PE	NL	XO	YT	NT	NU	OC	
☐	☐	☐	☐	☒	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Corporation is associated Y																
Corporation is related Y																
Number of associated corporations 2																
Type of corporation Canadian-Controlled Private Corporation																
Total amount due (refund) federal and provincial* -459,611																

* The amounts displayed on lines "Total amount due (refund) federal and provincial" are all listed in the help. Press F1 to consult the context-sensitive help.

Summary of federal information

Net income	4,364,473	
Taxable income	4,138,018	
Donations	226,455	
Calculation of income from an active business carried on in Canada	4,364,473	
Dividends paid	4,600,000	
Dividends paid – Regular	4,600,000	
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	69,270,517	
Balance of the general rate income pool at the end of the year	72,249,890	
Part I tax (base amount)	1,572,447	
Credits against part I tax	Summary of tax	Refunds/credits
Small business deduction	Part I 418,205	ITC refund
M&P deduction	Part IV	Dividends refund:
Foreign tax credit	Part III.1	– Eligible dividends
Investment tax credits 202,498	Other*	– Non-eligible dividends
Abatement/Other* 951,744	Provincial or territorial tax 409,684	Instalments 1,287,500
		Other*
		Balance due/refund (–) -459,611

* 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	
Capital dividend amount	9,473
Financial statement reserve	3,565,588

Summary of provincial information – provincial income tax payable

	Ontario	Québec (CO-17)	Alberta (AT1)
Net income	4,364,473		
Taxable income	4,138,018		
% Allocation	100.00		
Attributed taxable income	4,138,018		
Tax payable before deduction*	475,872		
Deductions and credits	47,996		
Net tax payable	427,876		
Attributed taxable capital	N/A		N/A
Capital tax payable**	N/A		N/A
Total tax payable***	427,876		
Instalments and refundable credits	18,192		
Balance due/Refund (-)	409,684		

Logging tax payable (COZ-1179)

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 – 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
Veridian Connections Inc.	110,447,150	110,447,150	116,385,011	116,385,011
Veridian Corporation	97,601,080	97,601,080	98,911,332	98,911,332
Veridian Energy Inc.	205,327	205,327	206,276	206,276
Total	208,253,557	208,253,557	215,502,619	215,502,619

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)	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)
Veridian Connections Inc.	110,131,286
Veridian Corporation	
Veridian Energy Inc.	
Total	110,131,286

Other provinces

Corporate name	Capital used to calculate the Newfoundland and Labrador capital deduction on financial institutions (Schedule 306)
Total	

Five-Year Comparative Summary

	Current year	1st prior year	2nd prior year	3rd prior year	4th prior year
Federal information (T2)					
Taxation year end	2018-12-31	2017-12-31	2016-12-31	2015-12-31	2014-12-31
Net income	4,364,473	3,903,664	5,264,526	5,900,167	4,473,270
Taxable income	4,138,018	3,695,045	5,031,021	5,732,325	4,333,644
Active business income	4,364,473	3,903,664	5,264,526	5,900,167	4,473,270
Dividends paid	4,600,000	5,007,000	4,649,000	5,350,000	4,600,000
Dividends paid – Regular	4,600,000	5,007,000	4,649,000	5,350,000	4,600,000
Dividends paid – Eligible					
LRIP – end of the previous year					
LRIP – end of the year					
GRIP – end of the previous year	69,270,517	66,610,085	62,987,750	58,860,476	55,740,252
GRIP – end of the year	72,249,890	69,270,517	66,610,085	62,987,750	58,860,476
Donations	226,455	208,619	233,505	167,842	139,626
Balance due/refund (-)	-459,611	-202,723	-221,199	-220,588	-45,055
Line 996 – Amended tax return	☐	☐	☐	☐	☐
Loss carrybacks requested in prior years to reduce taxable income					
Taxation year end	2018-12-31	2017-12-31	2016-12-31	2015-12-31	2014-12-31
Taxable income before loss carrybacks	N/A	N/A	5,031,021	5,732,325	4,333,644
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 loss carried back to prior years	N/A	N/A			
Adjusted taxable income after loss carrybacks	N/A	N/A	5,031,021	5,732,325	4,333,644
Losses in the current year carried back to previous years to reduce taxable income (according to Schedule 4)					
Taxation year end	2018-12-31	2017-12-31	2016-12-31	2015-12-31	2014-12-31
Adjusted taxable income before current year loss carrybacks*	N/A	3,695,045	5,031,021	5,732,325	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	3,695,045	5,031,021	5,732,325	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	2018-12-31	2017-12-31	2016-12-31	2015-12-31	2014-12-31
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	2018-12-31	2017-12-31	2016-12-31	2015-12-31	2014-12-31
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	2018-12-31	2017-12-31	2016-12-31	2015-12-31	2014-12-31
Part I	418,205	389,272	595,407	729,890	540,111
Part IV					
Part III.1					
Other*					

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.

Credits against part I tax

Taxation year end	2018-12-31	2017-12-31	2016-12-31	2015-12-31	2014-12-31
Small business deduction					
M&P deduction					
Foreign tax credit					
Investment tax credit	202,498	164,984	159,246	129,959	109,936
Abatement/other*	951,744	849,861	1,157,135	1,318,435	996,738

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.

Refunds/credits

Taxation year end	2018-12-31	2017-12-31	2016-12-31	2015-12-31	2014-12-31
ITC refund					
Dividend refund					
– Eligible dividends					
– Non-eligible dividends					
Instalments	1,287,500	950,000	1,325,000	1,550,000	1,010,000
Other*					

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.



Ontario

Taxation year end	2018-12-31	2017-12-31	2016-12-31	2015-12-31	2014-12-31
Net income	4,364,473	3,903,664	5,264,526	5,900,167	4,473,270
Taxable income	4,138,018	3,695,045	5,031,021	5,732,325	4,333,644
% Allocation	100.00	100.00	100.00	100.00	100.00
Attributed taxable income	4,138,018	3,695,045	5,031,021	5,732,325	4,333,644
Surtax					
Income tax payable before deduction	475,872	424,930	578,567	659,217	498,369
Income tax deductions /credits	47,996	38,925	42,173	40,079	34,535
Net income tax payable	427,876	386,005	536,394	619,138	463,834
Taxable capital					
Capital tax payable					
Total tax payable*	427,876	386,005	536,394	619,138	463,834
Instalments and refundable credits	18,192	28,000	28,000	19,616	39,000
Balance due/refund**	409,684	358,005	508,394	599,522	424,834

* 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.

Federal Tax Instalments

Federal tax instalments

For the taxation year ended 2019-12-31

Business number

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.

Monthly instalment workchart

Date	Monthly tax instalments	Refund transferred to instalments	Instalments paid	Cumulative difference	Instalments payable
2019-01-31					
2019-02-28					
2019-03-31			260,000	-260,000	
2019-04-30				-260,000	
2019-05-31				-260,000	
2019-06-30				-260,000	
2019-07-31				-260,000	
2019-08-31				-260,000	
2019-09-30				-260,000	
2019-10-31				-260,000	
2019-11-30				-260,000	
2019-12-31				-260,000	
Totals			260,000		-260,000

**Information Return for Corporations Filing Electronically**

- You have to complete this return for every initial and amended T2 Corporation Income Tax Return electronically filed to the Canada Revenue Agency (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 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 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.
- Do not submit** this form to the CRA unless we ask for it.
- We are responsible for ensuring the confidentiality of your electronically filed tax information only after we have accepted it.

Part 1 – Identification

Corporation's name Whitby Hydro Electric Corporation			Business number ██████	
Tax year ▶	From Y M D 2018-01-01	To Y M D 2018-12-31	Is this an amended return? ☐ Yes ☒ No	

Part 2 – Declaration

Enter the following amounts, if applicable, from your corporation income tax return for the tax year noted above:

Net income (or loss) for income tax purposes from Schedule 1, financial statements, or GIFI (line 300)	4,053,488
Part I tax payable (line 700)	
Part II surtax payable (line 708)	
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**Sign up for online mail!**Get your CRA mail electronically delivered in
My Business Account at cra.gc.ca/mybusinessaccount

I understand that by providing an email address, I am **registering** the corporation for the 'Manage online mail' service. 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.

Email address for online mail (optional): _____

I, ABI-RASHED Last name RAMONA First name TREASURER Position, office, or rank

am an authorized signing officer of the corporation. I certify that I have examined the corporation T2 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 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.

2019-06-20

Date (yyyy/mm/dd)

Signature of an authorized signing officer of the corporation

(905) 668-5878

Telephone number

Part 4 – Transmitter identification

The following transmitter has electronically filed the tax return of the corporation identified in Part 1.

KPMG LLP

Name of person or firm

A6698

Electronic filer number

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 cra.gc.ca/gncy/tp/nfsrc/nfsrc-eng.html, personal information bank CRA PPU 047.

**T2 Corporation Income Tax Return****200****EXEMPT FROM TAX**

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

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 [redacted]		055 Do not use this area	
Corporation's name 002 Whitby Hydro Electric Corporation		To which tax year does this return apply? Tax year start Year Month Day 060 2018-01-01 Tax year-end Year Month Day 061 2018-12-31	
Address of head office Has this address changed since the last time we were notified? 010 Yes ☐ No ☒ If yes , complete lines 011 to 018. 011 100 Taunton Road East 012 PO Box 59 City Province, territory, or state 015 Whitby 016 ON Country (other than Canada) Postal or ZIP code 017 018 L1N 5R8		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 ☒ If yes , provide the date control was acquired 065 Year Month Day	
Mailing address (if different from head office address) Has this address changed since the last time we were notified? 020 Yes ☐ No ☒ If yes , complete lines 021 to 028. 021 c/o 022 023 City Province, territory, or state 025 026 Country (other than Canada) Postal or ZIP code 027 028		Is the date on line 061 a deemed tax year-end according to subsection 249(3.1)? 066 Yes ☐ No ☒ Is the corporation a professional corporation that is a member of a partnership? 067 Yes ☐ No ☒ Is this the first year of filing after: Incorporation? 070 Yes ☐ No ☒ Amalgamation? 071 Yes ☐ No ☒ If yes , complete lines 030 to 038 and attach Schedule 24.	
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 ☒ If yes , complete lines 031 to 038. 031 032 City Province, territory, or state 035 036 Country (other than Canada) Postal or ZIP code 037 038		Has there been a wind-up of a subsidiary under section 88 during the current tax year? 072 Yes ☐ No ☒ If yes , complete and attach Schedule 24. Is this the final tax year before amalgamation? 076 Yes ☐ No ☒ Is this the final return up to dissolution? 078 Yes ☐ No ☒ If an election was made under section 261, state the functional currency used 079	
040 Type of corporation at the end of the tax year (tick one) ☒ 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		Is the corporation a resident of Canada? 080 Yes ☒ No ☐ If no , give the country of residence on line 081 and complete and attach Schedule 97. 081 Is the non-resident corporation claiming an exemption under an income tax treaty? 082 Yes ☐ No ☒ If yes , complete and attach Schedule 91. 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	
		098	

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 ☒	9
Is the corporation an associated CCPC?	160 ☒	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 ☒	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 ☒	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 ☐	7
Does the corporation have any property that is eligible for capital cost allowance?	208 ☒	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 ☒	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over \$10,000,000?	234 ☒	
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

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270 Yes ☒ No ☐						
Is the corporation inactive?	280 Yes ☐ No ☒						
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.	<table border="1"> <tr> <td>284 Electricity Distribution</td> <td>285 100.000 %</td> </tr> <tr> <td>286</td> <td>287 %</td> </tr> <tr> <td>288</td> <td>289 %</td> </tr> </table>	284 Electricity Distribution	285 100.000 %	286	287 %	288	289 %
284 Electricity Distribution	285 100.000 %						
286	287 %						
288	289 %						
Did the corporation immigrate to Canada during the tax year?	291 Yes ☐ No ☒						
Did the corporation emigrate from Canada during the tax year?	292 Yes ☐ No ☒						
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 GIFL	300	4,053,488	A
Deduct:			
Charitable donations from Schedule 2	311	44,900	
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		44,900	B
Subtotal (amount A minus amount B) (if negative, enter "0")		4,008,588	C
Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355		D
Taxable income (amount C plus amount D)	360	4,008,588	
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	4,053,488	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:

- 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.
- 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 ***	250,359	D	=	11,127,067	E
				11,250				

Passive income business limit reduction

Adjusted aggregate investment income from Schedule 7****	417	—	50,000	=	F
Amount C	500,000	x	Amount F	=	G
	100,000				

Subtotal (the greater of amount E and amount G) **422** 11,127,067 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	x	17.5 % =	1
		Number of days in the tax year	365		
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 x	18 % =	2
		Number of days in the tax year	365		
Amount A, B, C, or L, whichever is the least	x	Number of days in the tax year after December 31, 2018	x	19 % =	3
		Number of days in the tax year	365		

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	P Income paid under clause 125(1)(a)(i)(B) to the corporation identified in column O ³	Q Business limit assigned to corporation identified in column O ⁴
	490	500	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					4,008,588	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")					4,008,588	K
					x	30 2 / 3 %
						=
						1,229,300
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	2,520,000	x	38 1 / 3 %	=	966,000	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 4,008,588 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) **4,008,588** ▶ **4,008,588** 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

Refund code **894** 1 Refund

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 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** A6698

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

Certification

I, **950** ABI-RASHED **951** RAMONA **954** TREASURER
 Last name First name 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 2019-06-20 **956** (905) 668-5878
 Date (yyyy/mm/dd) Signature of the authorized signing officer of the corporation Telephone number
 Is the contact person the same as the authorized signing officer? If **no**, complete the information below **957** Yes ☒ No ☐
958 **959**
 Name of other authorized person Telephone number

Language of correspondence – Langue de correspondance

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

990 1



Form identifier 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIF1

Corporation's name	Business number	Tax year end Year Month Day
Whitby Hydro Electric Corporation		2018-12-31

Balance sheet information

Account	Description	GIFI	Current year	Prior year
Assets				
	Total current assets	1599 +	22,856,000	23,410,000
	Total tangible capital assets	2008 +	122,921,000	112,431,000
	Total accumulated amortization of tangible capital assets	2009 –	20,079,000	16,141,000
	Total intangible capital assets	2178 +	1,434,000	1,172,000
	Total accumulated amortization of intangible capital assets	2179 –	1,079,000	919,000
	Total long-term assets	2589 +	3,821,000	5,646,000
	* Assets held in trust	2590 +		
	Total assets (mandatory field)	2599 =	129,874,000	125,599,000
Liabilities				
	Total current liabilities	3139 +	27,448,000	24,691,000
	Total long-term liabilities	3450 +	49,415,917	50,456,942
	* Subordinated debt	3460 +		
	* Amounts held in trust	3470 +		
	Total liabilities (mandatory field)	3499 =	76,863,917	75,147,942
Shareholder equity				
	Total shareholder equity (mandatory field)	3620 +	53,010,083	50,451,058
	Total liabilities and shareholder equity	3640 =	129,874,000	125,599,000
Retained earnings				
	Retained earnings/deficit – end (mandatory field)	3849 =	23,516,041	20,957,016

* Generic item

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



Form identifier 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Corporation's name	Business number	Tax year end Year Month Day
Whitby Hydro Electric Corporation		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 +	123,422,000	124,275,000
Cost of sales	8518 -	97,501,000	100,712,000
Gross profit/loss	8519 =	25,921,000	23,563,000
Cost of sales	8518 +	97,501,000	100,712,000
Total operating expenses	9367 +	19,131,954	19,954,717
Total expenses (mandatory field)	9368 =	116,632,954	120,666,717
Total revenue (mandatory field)	8299 +	123,205,367	124,202,745
Total expenses (mandatory field)	9368 -	116,632,954	120,666,717
Net non-farming income	9369 =	6,572,413	3,536,028

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 =	6,572,413	3,536,028

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 -	-31,000	-2,023,000
Current income taxes	9990 -	1,035,000	433,000
Future (deferred) income tax provision	9995 -	489,388	810,716
Total – Other comprehensive income	9998 +		
Net income/loss after taxes and extraordinary items (mandatory field)	9999 =	5,079,025	4,315,312

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



Notes Checklist

Corporation's name Whitby Hydro Electric Corporation	Business number [REDACTED]	Tax Year End Year Month Day 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 ☒ No ☐

Is the accountant connected* with the corporation? **097** Yes ☐ No ☒

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	☒
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 ☒

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 ☒ No ☐

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

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

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.

SCHEDULE 100**GENERAL INDEX OF FINANCIAL INFORMATION – GIF**

Form identifier 100

Name of corporation	Business Number	Tax year-end Year Month Day
Whitby Hydro Electric Corporation	██████████	2018-12-31

Assets – lines 1000 to 2599

1000	576,000	1060	9,871,000	1120	1,428,000
1400	322,000	1480	10,387,000	1484	272,000
1599	22,856,000	1600	428,000	1680	17,907,000
1681	-2,009,000	1740	99,686,000	1741	-16,462,000
1900	3,620,000	1901	-1,608,000	1920	1,280,000
2008	122,921,000	2009	-20,079,000	2010	1,434,000
2011	-1,079,000	2178	1,434,000	2179	-1,079,000
2420	3,708,000	2421	113,000	2589	3,821,000
2599	129,874,000				

Liabilities – lines 2600 to 3499

2620	13,250,000	2680	641,000	2860	9,926,000
2920	400,000	2960	2,219,000	2963	1,012,000
3139	27,448,000	3140	31,136,917	3220	15,855,000
3320	2,424,000	3450	49,415,917	3499	76,863,917

Shareholder equity – lines 3500 to 3640

3500	29,494,042	3600	23,516,041	3620	53,010,083
3640	129,874,000				

Retained earnings – lines 3660 to 3849

3660	20,957,016	3680	5,079,025	3700	-2,520,000
3849	23,516,041				

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

SCHEDULE 125**GENERAL INDEX OF FINANCIAL INFORMATION – GIF**

Form identifier 125

Name of corporation	Business Number	Tax year-end Year Month Day
Whitby Hydro Electric Corporation		2018-12-31

DescriptionSequence number **0003** 01**Revenue – lines 8000 to 8299**

8000	123,422,000	8089	123,422,000	8210	-216,633
8299	123,205,367				

Cost of sales – lines 8300 to 8519

8400	97,501,000	8518	97,501,000	8519	25,921,000

Operating expenses – lines 8520 to 9369

8523	2,648	8570	159,306	8670	4,616,915
8710	2,157,000	9270	12,196,085	9367	19,131,954
9368	116,632,954	9369	6,572,413		

Extraordinary items and taxes – lines 9970 to 9999

9970	6,572,413	9985	-31,000	9990	1,035,000
9995	489,388	9999	5,079,025		

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

**Net Income (Loss) for Income Tax Purposes****Schedule 1**

Corporation's name Whitby Hydro Electric Corporation	Business number [REDACTED]	Tax year-end Year Month Day 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 5,079,025 **A**

Add:

Provision for income taxes – current	101	1,035,000	
Provision for income taxes – deferred	102	489,388	
Amortization of tangible assets	104	4,616,915	
Amortization of intangible assets	106	159,306	
Loss on disposal of assets	111	216,633	
Charitable donations and gifts from Schedule 2	112	44,900	
Non-deductible club dues and fees	120	11,600	
Non-deductible meals and entertainment expenses	121	1,324	
Subtotal of additions		6,575,066	6,575,066

Other additions:

Non-deductible legal and accounting fees	228	423,208	

Miscellaneous other additions:

1 Description	2 Amount		
605	295		
1 Addback Re: 12(1)(x)	2,470,429		
2 Net OM&A Addback - Regulatory Assets	85,800		
Total of column 2	2,556,229	296	2,556,229
Subtotal of other additions	199	2,979,437	2,979,437
Total additions	500	9,554,503	9,554,503 B

Amount A **plus** amount B 14,633,528 **C**

Deduct:

Capital cost allowance from Schedule 8	403	6,087,516	
Subtotal of deductions		6,087,516	6,087,516

Other deductions:**Miscellaneous other deductions:**

1 Description	2 Amount		
705	395		
1 Amortization of deferred capital contributions	1,046,168		
2 Tax included in net movement in regulatory balances	489,388		
3 Election under S13(7.4)	2,470,429		
4 Capitalized overhead deducted for tax	486,539		
Total of column 2	4,492,524	396	4,492,524
Subtotal of other deductions	499	4,492,524	4,492,524
Total deductions	510	10,580,040	10,580,040 D

Net income (loss) for income tax purposes (amount C minus amount D) 4,053,488 **E**
Enter amount E on line 300 of the T2 return.



Charitable Donations and Gifts

Corporation's name	Business number	Tax year-end Year Month Day
Whitby Hydro Electric Corporation		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)
Grandview Children's Foundation	5,000
Ability Centre Gala	5,000
Rotary Sunrise Whitby (Savour the Flavour)	2,300
Foundation Gala	5,000
Ontario Shores Centre	10,000
Station Gallery	5,000
Abilities Centre	10,000
Salvation Army Programs	2,500
Legion	100
	Subtotal 44,900
	Add: Total donations of less than \$100 each
	Total donations in current tax year 44,900

Part 1 – Charitable donations

	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 210	44,900	44,900	44,900
(include this amount on line 112 of Schedule 1 Net Income (Loss) for Income Tax Purposes)			
Subtotal (line 250 plus line 210)	44,900 B	44,900	44,900
Subtotal (line 240 plus amount B)	44,900 C	44,900	44,900
Adjustment for an acquisition of control 255			
Total charitable donations available (amount C minus line 255)	44,900 D	44,900	44,900
Amount applied in the current year against taxable income (cannot be more than amount L in Part 2) 260	44,900	44,900	44,900
(enter this amount on line 311 of the T2 return)			
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
1 st prior year	2017-12-31			
2 nd prior year	2016-12-31			
3 rd prior year	2015-12-31			
4 th prior year	2014-12-31			
5 th prior year	2013-12-31			
6 th prior year*	2012-12-31			
7 th prior year	2011-12-31			
8 th prior year	2010-12-31			
9 th prior year	2009-12-31			
10 th prior year	2008-12-31			
11 th prior year	2007-12-31			
12 th prior year	2006-12-31			
13 th prior year	2005-12-31			
14 th prior year	2004-12-31			
15 th prior year	2003-12-31			
16 th prior year	2002-12-31			
17 th prior year	2001-12-31			
18 th prior year	2000-12-31			
19 th prior year				
20 th prior year				
21 st 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 %		3,040,116	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)		3,040,116	K
Maximum allowable deduction for charitable donations (enter amount D from Part 1, amount K, or net income for tax purposes, whichever is less)		44,900	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

	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 410			
(include this amount on line 112 of Schedule 1)			
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 460			
(enter this amount on line 313 of the T2 return)			
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
1 st prior year 2017-12-31			
2 nd prior year 2016-12-31			
3 rd prior year 2015-12-31			
4 th prior year 2014-12-31			
5 th prior year 2013-12-31			
6 th prior year* 2012-12-31			
7 th prior year 2011-12-31			
8 th prior year 2010-12-31			
9 th prior year 2009-12-31			
10 th prior year 2008-12-31			
11 th prior year 2007-12-31			
12 th prior year 2006-12-31			
13 th prior year 2005-12-31			
14 th prior year 2004-12-31			
15 th prior year 2003-12-31			
16 th prior year 2002-12-31			
17 th prior year 2001-12-31			
18 th prior year 2000-12-31			
19 th prior year			
20 th prior year			
21 st 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		Federal	Québec	Alberta
Year of origin:				
1 st prior year	2017-12-31			
2 nd prior year	2016-12-31			
3 rd prior year	2015-12-31			
4 th prior year	2014-12-31			
5 th prior year	2013-12-31			
6 th prior year*	2012-12-31			
7 th prior year	2011-12-31			
8 th prior year	2010-12-31			
9 th prior year	2009-12-31			
10 th prior year	2008-12-31			
11 th prior year*	2007-12-31			
12 th prior year	2006-12-31			
13 th prior year	2005-12-31			
14 th prior year	2004-12-31			
15 th prior year	2003-12-31			
16 th prior year	2002-12-31			
17 th prior year	2001-12-31			
18 th prior year	2000-12-31			
19 th prior year				
20 th prior year				
21 st 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	Additional deduction for gifts of medicine made before March 22, 2017	610 _____
a _____ x $\left(\frac{b}{c} \right)$		
Québec	Additional deduction for gifts of medicine made before March 22, 2017	_____
a _____ x $\left(\frac{b}{c} \right)$		
Alberta	Additional deduction for gifts of medicine made before March 22, 2017	_____
a _____ x $\left(\frac{b}{c} \right)$		

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)

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	660 _____	_____	_____
(enter this amount on line 315 of the T2 return)			
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
1 st prior year	2017-12-31			
2 nd prior year	2016-12-31			
3 rd prior year	2015-12-31			
4 th prior year	2014-12-31			
5 th prior year	2013-12-31			
6 th prior year*	2012-12-31			
7 th prior year	2011-12-31			
8 th prior year	2010-12-31			
9 th prior year	2009-12-31			
10 th prior year	2008-12-31			
11 th prior year	2007-12-31			
12 th prior year	2006-12-31			
13 th prior year	2005-12-31			
14 th prior year	2004-12-31			
15 th prior year	2003-12-31			
16 th prior year	2002-12-31			
17 th prior year	2001-12-31			
18 th prior year	2000-12-31			
19 th prior year				
20 th prior year				
21 st 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
1 st prior year	2017-12-31	
2 nd prior year	2016-12-31	
3 rd prior year	2015-12-31	
4 th prior year	2014-12-31	
5 th prior year	2013-12-31	
6 th prior year*	2012-12-31	
7 th prior year	2011-12-31	
8 th prior year	2010-12-31	
9 th prior year	2009-12-31	
10 th prior year	2008-12-31	
11 th prior year	2007-12-31	
12 th prior year	2006-12-31	
13 th prior year	2005-12-31	
14 th prior year	2004-12-31	
15 th prior year	2003-12-31	
16 th prior year	2002-12-31	
17 th prior year	2001-12-31	
18 th prior year	2000-12-31	
19 th prior year		
20 th prior year		
21 st prior year*		
Total		

* These gifts expired in the current year.

**Dividends Received, Taxable Dividends Paid, and
Part IV Tax Calculation**

Corporation's name	Business number	Tax year-end Year Month Day
Whitby Hydro Electric Corporation		2018-12-31

- 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); or
 - 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.
- A recipient corporation is **connected** with a payer corporation at any time in a tax year, if at that time the recipient corporation:
 - controls the payer corporation, other than because of a right referred to in paragraph 251(5)(b); or
 - 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 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 and I **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 column J and K use the **special calculations provided in the notes**.

1	A Name of payer corporation (from which the corporation received the dividend)	A1	B Enter 1 if payer corporation is connected	C Business Number of connected corporation	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	E Non-taxable dividends under section 83
	200		205	210	220	230
			2			
Total of column E (enter amount on line 402 of Schedule 1)						

Part 1 – Dividends received in the tax year (continued)

F	F1	G	H	I	J	K
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) ^{note 1}		Eligible dividends included in column F	Total taxable dividends paid by connected payer corporation (for tax year in column D)	Dividend refund of the connected payer corporation (for tax year in column D) ^{note 2}	Part IV tax for eligible dividends. Dividends (from column G) multiplied by 38 1/3% ^{note 3}	Part IV tax before deductions. Dividends (from column F) multiplied by 38 1/3% ^{note 4}
240		242	250	260	265	275
1						

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 J or column K whichever one applies. 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.

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** 2B

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 (ERDTH) at the end of the tax year.

Part IV tax before deductions on taxable dividends received from connected corporations ^{note 5} (amount 1F 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)

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 (ERDTH) at the end of the tax year.

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 eligible 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)

5 To the extent of a dividend refund to the connected payer corporation from its eligible refundable dividend tax on hand (ERDTH). Otherwise, the amount 2E is nil.

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 connected recipient corporation, 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 connected recipient corporation	M Business Number	N Tax year-end of connected recipient corporation in which the dividends in column O were received YYYYMMDD	O Taxable dividends paid to connected corporations	P Eligible dividends included in column O
	400	410	420	430	440
1	Whitby Hydro Energy Corporation		2018-12-31	2,520,000	
2					
				2,520,000	
				(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	2,520,000
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	2,520,000
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)		966,000 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)		2,520,000
Other dividends paid in the tax year (total of 510 to 540)		
Total dividends paid in the tax year	500	2,520,000
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)		2,520,000 4B

**Corporation Loss Continuity and Application**

Corporation's name	Business number	Tax year-end Year Month Day
Whitby Hydro Electric Corporation		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 4,053,488 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 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 h
 Subtotal (amount g **plus** amount h) I
 Subtotal (amount H **plus** amount I) 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	130	k
Enter amount k on line 331 of the T2 Return.		
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)		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	10,369	a
Capital losses transferred on an amalgamation or on the wind-up of a subsidiary corporation	205		b
Subtotal (amount a plus amount b)		10,369	10,369 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)		10,369 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)		10,369 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) **10,369** 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			10,369 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 =** _____ aAmount a or \$ 15,000 (note 10), whichever is less **2,500** bSubtotal (amount b **plus** amount c) **2,500** cSubtotal (amount b **plus** amount c) **2,500** BCurrent-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** eRestricted 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** fCurrent-year restricted farm loss (from amount C) **410** gEnter amount g on line 233 of Schedule 1, *Net Income (Loss) for Income Tax Purposes*.Subtotal (amount f **plus** amount g) _____ ESubtotal (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** iOther 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** kSecond previous tax year to reduce farming income **942** lThird 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
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
Total (enter this amount on line 222 of Schedule 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
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*.



Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
Whitby Hydro Electric Corporation		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 ☒

1 Class number * See note 1	Description	2 Undepreciated capital cost (UCC) at the beginning of the year	3 Cost of acquisitions during the year (new property must be available for use) See note 2	4 Cost of acquisitions from column 3 that are accelerated investment incentive properties (AIIP) See note 3	5 Adjustments and transfers See note 4	6 Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition See note 5	7 Amount from column 5 that is repaid during the year for a property, subsequent to its disposition See note 6	8 Proceeds of dispositions See note 7	For tax years ending before November 21, 2018: 50% rule (1/2 of net acquisitions)
200		201	203	225	205	221	222	207	211
1. 1	BLDG, PLANT & DISTR	33,378,547	202,264	143,224				0	
2. 2	GEN & DISTR < 1988	4,949,174						0	
3. 8	OFFICE EQUIPMENT	2,111,506	407,304	65,529				0	
4. 10	COMPUTER EQUIPMENT	3,734						0	
5. 12	Computer Software	73,399	124,596	15,188	137,048			0	
6. 14.1	Goodwill	456,612						0	
7. 14.1	Transaction Costs		423,208	120,987				0	
8. 17	YARD IMPROVEMENTS	289,883						0	
9. 43.2	SOLAR PANELS	27,050						0	
10. 45	COMPUTER EQUIPMENT ACQUI	310						0	
11. 47	GEN & DISTR > FEB 22, 2005	39,491,718	7,186,287	1,017,915	-137,048			0	
12. 50	COMPUTER EQUIPMENT ACQUI	86,109	57,030	40,552				0	
13. 95	WIP	242,557	710,660					0	
Totals		81,110,599	9,111,349	1,403,395					



	1 Class number *	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	14 CCA rate % See note 11	15 Recapture of CCA See note 12	16 Terminal loss See note 13	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	18 UCC at the end of the year (column 9 minus column 17)
	200						224	212	213	215	217	220
1.	1	BLDG,	33,580,811		143,224	71,612	29,520	4	0	0	1,344,916	32,235,895
2.	2	GEN &	4,949,174					6	0	0	296,950	4,652,224
3.	8	OFFICE	2,518,810		65,529	32,765	170,888	20	0	0	476,137	2,042,673
4.	10	COMPL	3,734					30	0	0	1,120	2,614
5.	12	Compu	335,043		15,188		54,704	100	0	0	280,339	54,704
6.	14.1	Goodw	456,612					5	0	0	31,963	424,649
7.	14.1	Transa	423,208		120,987	60,494	151,111	5	0	0	16,630	406,578
8.	17	YARD I	289,883					8	0	0	23,191	266,692
9.	43.2	SOLAR	27,050					50	0	0	13,525	13,525
10.	45	COMPL	310					45	0	0	140	170
11.	47	GEN &	46,540,957		1,017,915	508,958	3,084,186	8	0	0	3,517,258	43,023,699
12.	50	COMPL	143,139		40,552	20,276	8,239	55	0	0	85,347	57,792
13.	95	WIP	953,217				355,330	0	0	0		953,217
Totals			90,221,948		1,403,395	694,105	3,853,978				6,087,516	84,134,432

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		9,111,349	
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):			
Capital contributions received during the year	+	2,470,429	
Software opening NBV	+	252,986	
Capitalized overhead deducted for tax	+	486,539	
Rounding in closing NBV	+	535	
Total additions per books	=	12,321,838	12,321,838
Proceeds up to original cost – Schedule 8 regular classes			
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):			
Transaction costs capitalized	+	423,208	
Total proceeds per books	=	423,208	423,208
Depreciation and amortization per accounts – Schedule 1		–	4,776,221
Loss on disposal of fixed assets per accounts		–	216,633
Gain on disposal of fixed assets per accounts		+	
Net change per tax return	=		6,905,776

Financial statements

Fixed assets (excluding land) per financial statements

Closing net book value		102,769,000	
Opening net book value	–	95,863,224	
Net change per financial statements	=		6,905,776

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



RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
Whitby Hydro Electric Corporation		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.	Town of Whitby		NR	3					
2.	Whitby Hydro Energy Corporation			1					
3.	Whitby Hydro Energy Services Corp.			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



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	2 Business number of associated corporations	3 Association code	4 Business limit for the year before the allocation \$	5 Percentage of the business limit %	6 Business limit allocated* \$
100	200	300		350	400
1 Whitby Hydro Electric Corporation	[REDACTED]	1	500,000	100.0000	500,000
2 Town of Whitby	NR	1	500,000		
3 Whitby Hydro Energy Corporation	[REDACTED]	1	500,000		
4 Whitby Hydro Energy Services Corporation	[REDACTED]	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 $0.225\% \times (D - \$10,000,000)$. 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.

**Taxable Capital Employed in Canada – Large Corporations**

Corporation's name	Business number	Tax year-end Year Month Day
Whitby Hydro Electric Corporation		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:

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	29,494,042
Retained earnings	104	23,516,041
Contributed surplus	105	
Any other surpluses	106	
Deferred unrealized foreign exchange gains	107	
All loans and advances to the corporation	108	40,161,000
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109	3,600,000
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)		96,771,083
		96,771,083 A

Note:Line 112 is determined by the formula $(A - B) \times C/D$ (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
- those lines applied to partnerships in the same manner that they apply to corporations, and
 - those amounts were computed without reference to amounts owing by the partnership
 - to any corporation that held a membership interest in the partnership either directly or indirectly through another partnership, or
 - 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) 96,771,083 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** 96,771,083**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**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 capitalCapital for the year (line 190) 96,771,083 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** 96,771,083

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)	96,771,083	x	Taxable income earned in Canada	610		1,000	=	Taxable capital employed in Canada	690		96,771,083
			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.

**SHAREHOLDER INFORMATION**

Name of corporation	Business Number	Tax year end Year Month Day
Whitby Hydro Electric Corporation		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.

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

**Part III.1 Tax on Excessive Eligible Dividend Designations**

Corporation's name	Business number	Tax year-end Year Month Day
Whitby Hydro Electric Corporation		2018-12-31

- 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 completed 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 (GRIP), and low rate income pool (LRIP).
- 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.

Do not use this area**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	.....	2,520,000	
Total taxable dividends paid in the tax year	.....	100	2,520,000
Total eligible dividends paid in the tax year	.....	150	A
GRIP at the end of the tax year (line 590 on Schedule 53) (if negative, enter "0")	.....	160	B
Excessive eligible dividend designation (line 150 minus line 160)	.....		C
Deduct:			
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *	.....	180	D
Subtotal (amount C minus amount D)			E
Part III.1 tax on excessive eligible dividend designations – CCPC or DIC (amount E multiplied by 20 %)	.....	190	F
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 from line A of Schedule 54)	.....		G
Deduct:			
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *	.....	280	H
Subtotal (amount G minus amount H)			I
Part III.1 tax on excessive eligible dividend designations – Other corporations (amount I multiplied by 20 %)	.....	290	J
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. For more information on how to make this election, go to www.cra.gc.ca/eligibledividends.

**CORPORATIONS INFORMATION ACT ANNUAL RETURN FOR ONTARIO CORPORATIONS**

Name of corporation	Business Number	Tax year-end Year Month Day
Whitby Hydro Electric Corporation		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)			
Whitby Hydro Electric 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		2000-11-01	

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	
100	Taunton Road East		
240 Additional address information if applicable (line 220 must be completed first)			
PO BOX 59			
250 Municipality (e.g., city, town)	260 Province/state	270 Country	280 Postal/zip code
Whitby	ON	CA	L1N 5R8

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."
☐ 2 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 ABI-RASHED	451 RAMONA
Last name	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.

Tax Instalments

For the taxation year ended 2019-12-31

Business number

You can also mail a cheque or a money order payable to the Minister of Finance, to Minister of Finance, HYDRO PILS DIVISION, 33 King St, Oshawa L1H 1A1

Monthly instalment workchart

Date	Monthly tax instalments	Refund transferred to instalments	Instalments paid	Cumulative difference	Instalments payable
2019-01-31	88,523				88,523
2019-02-28	88,523				88,523
2019-03-31	88,523		260,000	-171,477	
2019-04-30	88,523			-82,954	
2019-05-31	88,523				5,569
2019-06-30	88,523				88,523
2019-07-31	88,523				88,523
2019-08-31	88,523				88,523
2019-09-30	88,523				88,523
2019-10-31	88,523				88,523
2019-11-30	88,523				88,523
2019-12-31	88,523				88,523
Totals	<u>1,062,276</u>		<u>260,000</u>		<u>802,276</u>

**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 [redacted]	
Corporation's name 002 Whitby Hydro Electric Corporation	
Address of head office Has this address changed since the last time we were notified? 010 Yes ☐ No ☒ If yes , complete lines 011 to 018. 011 100 Taunton Road East 012 PO Box 59 City Province, territory, or state 015 Whitby 016 ON Country (other than Canada) Postal or ZIP code 017 018 L1N 5R8	
Mailing address (if different from head office address) Has this address changed since the last time we were notified? 020 Yes ☐ No ☒ If yes , complete lines 021 to 028. 021 c/o 022 023 City Province, territory, or state 025 026 Country (other than Canada) Postal or ZIP code 027 028	
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 ☒ If yes , complete lines 031 to 038. 031 032 City Province, territory, or state 035 036 Country (other than Canada) Postal or ZIP code 037 038	
040 Type of corporation at the end of the tax year (tick one) ☒ 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 2018-01-01 Tax year-end Year Month Day 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 ☒ 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 ☒ Is the corporation a professional corporation that is a member of a partnership? 067 Yes ☐ No ☒ Is this the first year of filing after: Incorporation? 070 Yes ☐ No ☒ Amalgamation? 071 Yes ☐ No ☒ If yes , complete lines 030 to 038 and attach Schedule 24. Has there been a wind-up of a subsidiary under section 88 during the current tax year? 072 Yes ☐ No ☒ If yes , complete and attach Schedule 24. Is this the final tax year before amalgamation? 076 Yes ☐ No ☒ Is this the final return up to dissolution? 078 Yes ☐ No ☒ If an election was made under section 261, state the functional currency used 079 _____ Is the corporation a resident of Canada? 080 Yes ☒ No ☐ If no , give the country of residence on line 081 and complete and attach Schedule 97. 081 _____ Is the non-resident corporation claiming an exemption under an income tax treaty? 082 Yes ☐ No ☒ If yes , complete and attach Schedule 91. 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
098	

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 ☒	9
Is the corporation an associated CCPC?	160 ☒	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 ☒	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 ☒	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 ☐	7
Does the corporation have any property that is eligible for capital cost allowance?	208 ☒	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 ☒	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over \$10,000,000?	234 ☒	
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?	☐	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?	☐	T1135
Did the corporation transfer or loan property to a non-resident trust?	☐	T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	☐	T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	☐	T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	☐	T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	☐	T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	☒	55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	☐	T2002
Has the corporation revoked any previous election made under subsection 89(11)?	☐	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?	☒	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?	☐	54

Additional information

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	Yes	☒	No	☐
Is the corporation inactive?	280	Yes	☐	No	☒
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 Distribution	285	100.000 %	
	286		287	%	
	288		289	%	
Did the corporation immigrate to Canada during the tax year?	291	Yes	☐	No	☒
Did the corporation emigrate from Canada during the tax year?	292	Yes	☐	No	☒
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 GIFL	300	4,053,488	A
Deduct:			
Charitable donations from Schedule 2	311	44,900	
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		44,900	B
Subtotal (amount A minus amount B) (if negative, enter "0")		4,008,588	C
Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355		D
Taxable income (amount C plus amount D)	360	4,008,588	
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)		4,008,588	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	4,053,488	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	4,008,588	B
Business limit (see notes 1 and 2 below)	410	500,000	C

Notes:

- 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.
- 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 ***	250,359	D	=	11,127,067	E
				11,250				

Passive income business limit reduction

Adjusted aggregate investment income from Schedule 7****	417	—	50,000	=	F
Amount C	500,000	x	Amount F	=	G
	100,000				

Subtotal (the greater of amount E and amount G) **422** 11,127,067 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	x	17.5 % =	1
		Number of days in the tax year	365		
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 x	18 % =	2
		Number of days in the tax year	365		
Amount A, B, C, or L, whichever is the least	x	Number of days in the tax year after December 31, 2018	x	19 % =	3
		Number of days in the tax year	365		

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	P Income paid under clause 125(1)(a)(i)(B) to the corporation identified in column O ³	Q Business limit assigned to corporation identified in column O ⁴
	490	500	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)	4,008,588	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")	4,008,588	H

General tax reduction for Canadian-controlled private corporations – Amount H multiplied by 13 % 521,116 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					4,008,588	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")					4,008,588	K	
				x	30 2 / 3 %	=	
							L
Part I tax payable minus investment tax credit refund (line 700 minus line 780 from page 9)							M
Part I tax payable minus investment tax credit refund (line 700 minus line 780 from page 9)							
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	2,520,000	x	38 1 / 3 %	=	966,000	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** 1,523,263 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 4,008,588 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) 4,008,588 ▶ 4,008,588 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) 1,523,263 I

Deduct:

Small business deduction from line 430 on page 4 J

Federal tax abatement **608** 400,859

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** 521,116

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 921,975 ▶ 921,975 K

Part I tax payable – Amount I minus amount K 601,288 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	601,288
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 **700** 601,288**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** 460,988
 Total tax payable **770** 1,062,276 **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	1,236,000
Labour tax credit for qualifying journalism organizations		

Total credits **890** 1,236,000 **B**Balance (amount A minus amount B) **-173,724**Refund code **894** 1 Refund 173,724**Direct deposit request**

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

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

 If the result is negative, you have 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.

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 A6698

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

Certification
 I, **950** ABI-RASHED **951** RAMONA **954** TREASURER
 Last name First name 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 2019-06-20
Date (yyyy/mm/dd)

Signature of the authorized signing officer of the corporation

956 (905) 668-5878
Telephone numberIs the contact person the same as the authorized signing officer? If **no**, complete the information below**957** Yes ☒ No ☐**958** Name of other authorized person**959** 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

**WHITBY HYDRO
ELECTRIC CORPORATION**

Year ended December 31, 2018
(Expressed in thousands of dollars)



KPMG LLP
Commerce Place
21 King Street West, Suite 700
Hamilton Ontario L8P 4W7
Canada
Telephone (905) 523-8200
Fax (905) 523-2222

INDEPENDENT AUDITORS' REPORT

To the Shareholder of Whitby Hydro Electric Corporation

Opinion

We have audited the financial statements of Whitby Hydro Electric Corporation ("the Entity"), which comprise:

- the statement of financial position as at end of 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 statement of financial position of the Entity as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

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 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 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.



- 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

Hamilton, Canada

April 16, 2019

WHITBY HYDRO ELECTRIC CORPORATION

Statement of Financial Position
December 31, 2018
(in thousands of dollars)

	Note	2018	2017
Assets			
Current assets			
Cash and cash equivalents	5	\$ 576	\$ 2,785
Accounts receivable	6	9,871	9,177
Due from related parties	21	322	395
Unbilled revenue		10,387	9,530
Materials and supplies	7	1,428	1,152
Income tax receivable		-	291
Prepaid expenses		272	80
Total current assets		22,856	23,410
Non-current assets			
Property, plant and equipment	8	102,842	96,290
Intangible assets	9	355	253
Deferred tax assets	10	113	121
Total non-current assets		103,310	96,664
Total assets		126,166	120,074
Regulatory balances	11	3,708	5,646
Total assets and regulatory balances		\$ 129,874	\$ 125,720

	Note	2018	2017
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	12	\$ 13,250	\$ 13,671
Due to related parties	21	9,926	7,858
Long-term debt due within one year	13	400	400
Customer deposits		2,219	2,352
Income taxes payable		641	-
Total current liabilities		26,436	24,281
Non-current liabilities			
Customer deposits		50	146
Long-term debt	13	31,138	31,538
Deferred revenue		15,855	14,430
Deferred tax liabilities	10	1,012	531
Total non-current liabilities		48,055	46,645
Total liabilities		74,491	70,926
Equity			
Share capital	14	29,494	29,494
Retained earnings		23,515	20,957
Total equity		53,009	50,451
Total liabilities and equity		127,500	121,377
Regulatory balances	11	2,374	4,343
Total liabilities, equity and regulatory balances		\$ 129,874	125,720

See accompanying notes to the financial statements.

On behalf of the Board:

_____ Director

_____ Director

WHITBY HYDRO ELECTRIC CORPORATION

Statement of Comprehensive Income

Year ended December 31, 2018, with comparative information for 2017

(in thousands of dollars)

	Note	2018	2017
Revenue			
Distribution revenue		\$ 23,871	\$ 21,865
Other	15	2,992	1,856
		26,863	23,721
Sale of energy		96,559	100,554
Total revenue	16	123,422	124,275
Operating expenses			
Operations and maintenance		6,065	5,527
Administration expense		6,351	7,575
Depreciation and amortization		4,776	4,784
	17	17,192	17,886
Cost of power purchased		97,501	100,712
Total expenses		114,693	118,598
Income from operating activities		8,729	5,677
Net finance costs	18	2,157	2,141
Income before income taxes		6,572	3,536
Income taxes			
Current	10	1,035	433
Future	10	490	811
		1,525	1,244
Net income for the year		5,047	2,292
Net movement in regulatory balances, net of tax			
Net movement in regulatory balances		(459)	1,212
Income tax on net movement in regulatory balances		490	811
	11	31	2,023
Net income for the year and net movement in regulatory balances, which is comprehensive income		\$ 5,078	\$ 4,315

See accompanying notes to the financial statements.

WHITBY HYDRO ELECTRIC CORPORATION

Statement of Changes in Equity

Year ended December 31, 2018, with comparative information for 2017

(in thousands of dollars)

	Share capital	Retained earnings	Accumulated other comprehensive income (loss)	Total
Balance at January 1, 2018	\$ 29,494	\$ 20,957	\$ -	\$ 50,451
Net income and net movement in regulatory balances	-	5,078	-	5,078
Dividends	-	(2,520)	-	(2,520)
Balance at December 31, 2018	\$ 29,494	\$ 23,515	\$ -	\$ 53,009
Balance at January 1, 2017	\$ 29,494	\$ 19,162	\$ -	\$ 48,656
Net income and net movement in regulatory balances	-	4,315	-	4,315
Dividends	-	(2,520)	-	(2,520)
Balance at December 31, 2017	\$ 29,494	\$ 20,957	\$ -	\$ 50,451

See accompanying notes to the financial statements.

WHITBY HYDRO ELECTRIC CORPORATION

Statement of Cash Flows

Year ended December 31, 2018, with comparative information for 2017

(in thousands of dollars)

	2018	2017
Operating activities		
Net income and net movement in regulatory balances	\$ 5,078	\$ 4,315
Adjustments for:		
Depreciation and amortization	4,776	4,784
Amortization of deferred revenue	(1,047)	(1,017)
Losses on disposal of property, plant and equipment	217	72
Net finance costs	2,157	2,141
Income tax expense	1,525	1,244
Contributions received from customers	2,470	1,795
Change in non-cash operating working capital:		
Accounts receivable	(694)	1,530
Due to/from related parties	2,141	2,330
Unbilled revenue	(857)	3,643
Materials and supplies	(276)	(9)
Prepaid expenses	(192)	(1)
Accounts payable and accrued liabilities	(421)	(652)
Customer deposits	(229)	272
	14,648	20,447
Net movement in regulatory balances	(31)	(2,023)
Income tax paid	(406)	(1,071)
Income tax received	303	122
Interest paid	(2,157)	(2,164)
Net cash from operating activities	12,357	15,311
Investing activities		
Purchase of property, plant and equipment	(11,384)	(10,194)
Purchase of intangible assets	(262)	(147)
Net cash used by investing activities	(11,646)	(10,341)
Financing activities		
Dividends paid	(2,520)	(2,520)
Repayment of long-term debt	(400)	(400)
Net cash used by financing activities	(2,920)	(2,920)
Change in cash and cash equivalents	(2,209)	2,050
Cash and cash equivalents, beginning of year	2,785	735
Cash and cash equivalents, end of year	\$ 576	\$ 2,785

See accompanying notes to the financial statements.

WHITBY HYDRO ELECTRIC CORPORATION

Notes to Financial Statements
Year ended December 31, 2018
(in thousands of dollars)

1. Reporting entity

Whitby Hydro Electric 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 Whitby of the Region of Durham. The address of the Corporation's registered office is 100 Taunton Rd. East, Whitby Hydro, Ontario.

The Corporation delivers electricity and related energy services to residential and commercial customers in Whitby. The Corporation is wholly owned by Whitby Hydro Energy Corporation and the ultimate parent is the Corporation of the Town of Whitby.

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 11th, 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.

(d) Use of estimates and judgments

(i) Assumptions and estimation uncertainty

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.

WHITBY HYDRO ELECTRIC CORPORATION

Notes to Financial Statements (continued)
Year ended December 31, 2018
(in thousands of dollars)

2. Basis of presentation (continued)

(d) Use of estimates and judgments (continued)

(i) Assumptions and estimation uncertainty (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 3(b) – measurement of unbilled revenue
- (ii) Notes 3(d) and 3(e) – estimation of useful lives of its property, plant and equipment and intangible assets
- (iii) Note 3(i) – recognition and measurement of regulatory balances
- (iv) Note 18 – recognition and measurement of provisions and contingencies

(ii) Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following note:

- (i) Note 3(j) – leases: whether an arrangement contains a lease and classification as an operating lease versus financing

(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 certain 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.

WHITBY HYDRO ELECTRIC CORPORATION

Notes to Financial Statements (continued)
Year ended December 31, 2018
(in thousands of dollars)

2. Basis of presentation (continued)

(e) Rate regulation (continued)

Rate setting

(i) *Distribution revenue*

For the distribution revenue, the Corporation files a “Cost of Service” (“COS”) rate application with the OEB approximately every five years. The COS filing timeline may be extended if the Corporation is able to maintain good reliability and operations under the existing approved rate structure, and has either received approval by the OEB for such a deferral or has elected to follow the Annual Incentive Rate Setting Index (“Annual IR Index”) approach. The COS 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; rates are approved based upon this review, including any revisions resulting from the review.

In the intervening years an Incentive Rate Mechanism (“IRM”) or an Annual IR Index application is filed. Both of these annual applications result 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. The only difference in the rate calculations under each type of annual application is the “stretch factor” applied. An annual IR Index is applicable if an LDC anticipates a cost of service deferral for multiple years.

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 January 2010 for rates effective May 1, 2010. The Corporation has filed an Annual IR Index application annually since 2011. The GDP IPI-FDD for 2018 is 1.5%, the Corporation’s productivity factor is 0.00% and the stretch factor is 0.60%, resulting in a net adjustment of 0.90% to the previous year’s rates.

(ii) *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.

WHITBY HYDRO ELECTRIC CORPORATION

Notes to Financial Statements (continued)
Year ended December 31, 2018
(in thousands of dollars)

2. Basis of presentation (continued)

(e) Rate regulation (continued)

Rate setting (continued)

(ii) *Electricity rates (continued)*

The OEB issued a new distribution rate design for residential electricity customers which will be phased in over a four year period commencing January 2016. Under this new policy, electricity distributors will structure residential rates so that all of the distribution charge will be collected through a fully fixed monthly charge instead of the current fixed and variable charge.

Effective 2017, all electricity distributors in Ontario are required to bill their customers on a monthly basis rather than the historical bi-monthly basis. This policy change incorporates an expectation that distributors will issue bills based on actual meter readings rather than estimates at least 98% of the time.

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

All financial assets and all financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequently, they are measured at amortized cost using the effective interest method less any impairment for the financial assets as described in note 3(f). The Corporation does not enter into derivative instruments.

Hedge accounting has not been used in the preparation of these financial statements.

Cash equivalents include short-term investments with maturities of three months or less when purchased.

(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.

WHITBY HYDRO ELECTRIC CORPORATION

Notes to Financial Statements (continued)
Year ended December 31, 2018
(in thousands of dollars)

3. Significant accounting policies (continued)

(b) Revenue recognition (continued)

Sale and distribution of electricity (continued)

Customer billings for debt retirement charges are recorded on a net basis as the Corporation is 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 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 are consumed by the Corporation in the provision of its services, are valued at the lower of cost and net realizable value, with cost being determined on a weighted 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.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated selling expenses.

WHITBY HYDRO ELECTRIC CORPORATION

Notes to Financial Statements (continued)
Year ended December 31, 2018
(in thousands of dollars)

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, 2014 are measured at deemed cost 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.

WHITBY HYDRO ELECTRIC CORPORATION

Notes to Financial Statements (continued)
Year ended December 31, 2018
(in thousands of dollars)

3. Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

The estimated useful lives are as follows:

Buildings & fixtures	10-50 years
Distribution lines	25-60 years
Distribution transformers	40 years
Distribution meters	30 years
Smart meters	12 years
Electricity generation equipment	20 years
General office equipment	10 years
Computer equipment	3-5 years
Major tools	10 years

(e) Intangible assets

Intangible assets used in rate-regulated activities and acquired prior to January 1, 2014 are measured at deemed cost 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, 2014, 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 life of computer software is 5 years.

WHITBY HYDRO ELECTRIC CORPORATION

Notes to Financial Statements (continued)
Year ended December 31, 2018
(in thousands of dollars)

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 that 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.

For other assets, 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.

WHITBY HYDRO ELECTRIC CORPORATION

Notes to Financial Statements (continued)
Year ended December 31, 2018
(in thousands of dollars)

3. Significant accounting policies (continued)

(i) Regulatory balances

Regulatory debit balances represent costs incurred in excess of amounts billed to the customer at OEB approved rates. Regulatory credit balances represent amounts billed to the customer at OEB approved rates in excess of costs incurred by the Corporation.

Regulatory 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 (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 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 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.

(j) 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.

WHITBY HYDRO ELECTRIC CORPORATION

Notes to Financial Statements (continued)
Year ended December 31, 2018
(in thousands of dollars)

3. Significant accounting policies (continued)

(k) 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 cash equivalents.

Finance costs comprise interest expense on borrowings and customer deposits. Finance costs are recognized in profit or loss unless they are capitalized as part of the cost of qualifying assets.

(l) 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.

WHITBY HYDRO ELECTRIC CORPORATION

Notes to Financial Statements (continued)
Year ended December 31, 2018
(in thousands of dollars)

4. Future changes in accounting policy and disclosures

The Corporation is still evaluating the adoption of the following new and revised standards along with any subsequent amendments.

Leases

In January 2016, the IASB issued IFRS 16 Leases. The new standard is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that apply IFRS 15 Revenue from Contracts with Customers at or before the date of initial adoption of IFRS 16. IFRS 16 will replace IAS 17 Leases. 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 intends to adopt IFRS 16 in its financial statements for the annual period beginning January 1, 2019. The Corporation expects to recognize right of use assets estimated at \$1,098 (2017 - \$1,353) with an offsetting lease liability estimated at \$1,098 (2017 - \$1,353) at January 1, 2019.

5. Cash and cash equivalents

	2018	2017
Bank balances	\$ 576	\$ 2,785
Cash and cash equivalents	\$ 576	\$ 2,785

6. Accounts receivable

	2018	2017
Trade receivables	\$ 8,463	\$ 7,993
Other trade receivables	974	606
Billable work	863	918
	10,300	9,517
Less expected credit losses	(429)	(340)
	\$ 9,871	\$ 9,177

7. Materials and supplies

No amounts written down due to obsolescence in 2018 (2017 – \$nil).

WHITBY HYDRO ELECTRIC CORPORATION

Notes to Financial Statements (continued)
Year ended December 31, 2018
(in thousands of dollars)

8. Property, plant and equipment

	Land and buildings	Distribution equipment	Other fixed assets	Construction -in-progress	Total
<i>Cost or deemed cost</i>					
Balance at January 1, 2018	\$ 18,469	\$ 90,301	\$ 3,092	\$ 569	\$ 112,431
Additions	139	9,458	528	1,259	11,384
Transfers	27	521	-	(548)	-
Disposals/retirements	(300)	(594)	-	-	(894)
Balance at December 31, 2018	\$ 18,335	\$ 99,686	\$ 3,620	\$ 1,280	\$ 122,921
<i>Cost or deemed cost</i>					
Balance at January 1, 2017	\$ 16,039	\$ 83,355	\$ 2,811	\$ 374	\$ 102,579
Additions	2,430	6,932	281	551	10,194
Transfers	-	356	-	(356)	-
Disposals/retirements	-	(342)	-	-	(342)
Balance at December 31, 2017	\$ 18,469	\$ 90,301	\$ 3,092	\$ 569	\$ 112,431
<i>Accumulated depreciation</i>					
Balance at January 1, 2018	\$ (1,688)	\$ (13,197)	\$ (1,256)	\$ -	\$ (16,141)
Depreciation	(592)	(3,673)	(352)	-	(4,617)
Disposals/retirements	271	408	-	-	675
Balance at December 31, 2018	\$ (2,009)	\$ (16,462)	\$ (1,608)	\$ -	\$ (20,079)
<i>Accumulated depreciation</i>					
Balance at January 1, 2017	\$ (1,209)	\$ (9,850)	\$ (921)	\$ -	\$ (11,980)
Depreciation	(479)	(3,617)	(335)	-	(4,431)
Disposals/retirements	-	270	-	-	270
Balance at December 31, 2017	\$ (1,688)	\$ (13,197)	\$ (1,256)	\$ -	\$ (16,141)
<i>Carrying amounts</i>					
At December 31, 2018	\$ 16,326	\$ 83,224	\$ 2,012	\$ 1,280	\$ 102,842
At December 31, 2017	\$ 16,781	\$ 77,104	\$ 1,836	\$ 569	\$ 96,290

During the year, no borrowing costs were capitalized as part of the cost of property, plant and equipment (2017 – \$nil).

At December 31, 2018, property, plant and equipment with a carrying value of \$102,842 (2017 – \$96,290) are subject to a general security agreement.

WHITBY HYDRO ELECTRIC CORPORATION

Notes to Financial Statements (continued)
 Year ended December 31, 2018
 (in thousands of dollars)

9. Intangible assets

	Computer software
<i>Cost or deemed cost</i>	
Balance at January 1, 2018	\$ 1,172
Additions	262
Balance at December 31, 2018	\$ 1,434
<i>Cost or deemed cost</i>	
Balance at January 1, 2017	\$ 1,025
Additions	147
Balance at December 31, 2017	\$ 1,172
<i>Accumulated amortization</i>	
Balance at January 1, 2018	\$ (920)
Amortization	(159)
Balance at December 31, 2018	\$ (1,079)
<i>Accumulated amortization</i>	
Balance at January 1, 2017	\$ (567)
Amortization	(352)
Balance at December 31, 2017	\$ (919)
<i>Carrying amounts</i>	
At December 31, 2018	\$ 355
At December 31, 2017	\$ 253

10. Income tax expense

Current tax expense

	2018	2017
Current year	\$ 1,047	\$ 433
Adjustment for prior years	(12)	-
	\$ 1,035	\$ 433

Deferred tax expense

	2018	2017
Origination and reversal of temporary differences	\$ 490	\$ 811

WHITBY HYDRO ELECTRIC CORPORATION

Notes to Financial Statements (continued)
Year ended December 31, 2018
(in thousands of dollars)

10. Income tax expense (continued)

Reconciliation of effective tax rate

	2018	2017
Income before taxes	\$ 6,572	\$ 3,536
Canada and Ontario statutory income tax rates	26.5%	26.5%
Expected tax provision on income at statutory rates	1,742	937
Increase (decrease) in income taxes resulting from:		
Permanent differences	3	4
Tax on regulatory timing differences	(208)	303
Under provided in prior periods	(12)	-
Income tax expense	\$ 1,525	\$ 1,244

Significant components of the Corporation's deferred tax balances

	2018	2017
Deferred tax liabilities:		
Property, plant and equipment	(815)	(314)
Timing differences on regulatory assets and liabilities	(6)	(29)
Other reserves	(78)	(67)
	\$ (899)	\$ (410)

WHITBY HYDRO ELECTRIC CORPORATION

Notes to Financial Statements (continued)
Year ended December 31, 2018
(in thousands of dollars)

11. Regulatory balances

Regulatory deferral account debit balances	January 1, 2018	Additions	Recovery/ reversal	December 31, 2018	Remaining recovery/ reversal years
Deferred meter costs	\$ 781	\$ -	\$ (385)	\$ 396	1
Group 1 deferral accounts	2,700	-	(1,968)	732	2
Retail services variances	662	42	(603)	101	3
Other regulatory assets	945	616	(306)	1,255	2
Future income tax	558	666	-	1,224	*
	\$ 5,646	\$ 1,324	\$ (3,262)	\$ 3,708	-

Regulatory deferral account debit balances	January 1, 2017	Additions	Recovery/ reversal	December 31, 2017	Remaining recovery/ reversal years
Deferred meter costs	\$ 877	\$ -	\$ (96)	\$ 781	1
Group 1 deferral accounts	1,645	1,111	(56)	2,700	2
Retail services variances	597	65	-	662	1
Other regulatory assets	1,078	501	(634)	945	3
Regulatory recovery account	7	-	(7)	-	N/A
Future income tax	144	558	(144)	558	*
	\$ 4,348	\$ 2,235	\$ (937)	\$ 5,646	

Regulatory deferral account credit balances	January 1, 2018	Additions	Recovery/ reversal	December 31, 2018	Remaining years
Group 1 deferral accounts	\$ 4,189	\$ 419	\$ (3,363)	\$ 1,245	2
Regulatory recovery account	6	-	(4)	2	2
Other regulatory liabilities	-	874	(71)	803	1
Future income taxes	148	176	-	324	*
	\$ 4,343	\$ 1,469	\$ (3,438)	\$ 2,374	

Regulatory deferral account credit balances	January 1, 2017	Additions	Recovery/ reversal	December 31, 2017	Remaining years
Group 1 deferral accounts	\$ 3,282	\$ 907	\$ -	\$ 4,189	2
Regulatory recovery account	-	6	-	6	2
Other regulatory liabilities	1,241	-	(1,241)	-	N/A
Future income taxes	545	148	(545)	148	*
	\$ 5,068	\$ 1,061	\$ (1,786)	\$ 4,343	

* These balances will reverse as the related deferred income taxes reverse.

WHITBY HYDRO ELECTRIC CORPORATION

Notes to Financial Statements (continued)
Year ended December 31, 2018
(in thousands of dollars)

11. 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 the Corporation's 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.

Deferred meter costs arose as a result of the Ontario Governments' initiative - the Provincial Smart Meter Program. The Corporation received approval to dispose of \$781 in stranded meter costs effective over a two year period ending December 31, 2019.

Group 1 deferral accounts represent retail settlement variances between purchase costs and amounts billed to customers. Settlement to clear these amounts is done through an application to the OEB on an annual basis when the audited balances exceed an OEB standard threshold test. The Corporation received approval from the OEB to dispose of a net credit amount of \$1,774 effective January 1, 2018. At the beginning of 2018, the Corporation moved the approved account balance to the regulatory recovery account for disposition over the one year period which ended December 31, 2018.

The retail services variance captures the difference between revenue collected and the associated costs to support retailer activities and transactions. These balances are generally settled as part of the COS rate application process, however, the Corporation filed a stand-alone application and received approval to dispose of \$603 (representing December 31, 2016 ending balances plus interest) over a one year period which ended December 31, 2018.

Other regulatory assets include amounts for the following:

- Lost revenue adjustment variance of \$1,163. This account captures the difference between the results of actual verified impacts of authorized CDM program activities and the level of CDM program activities included in the Corporation's 2011 load forecast. The lost revenue balances may be settled as part of the annual rate setting process. As part of its 2019 annual rate application, the Corporation received approval to dispose of \$346 over a one year period ending December 31, 2019.
- Net impact of OEB assessment cost variance and differences in pole attachment rates totalling \$93. The 2018 balances also included incremental costs incurred to prepare and complete the transition to IFRS accounting. These amounts are generally settled during a COS rate application process, however, the Corporation received approval to dispose of \$253 (representing December 31, 2017 balances plus interest) during 2018 as part of a stand-alone application.

WHITBY HYDRO ELECTRIC CORPORATION

Notes to Financial Statements (continued)
Year ended December 31, 2018
(in thousands of dollars)

11. Regulatory balances (continued)

The regulatory recovery account is comprised primarily of balances which have been previously approved for disposition by the OEB. Rate riders related to these balances have expired.

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.

Other regulatory liabilities reflect the differences associated with required regulatory accounting changes under CGAAP which were implemented in 2013. The OEB has previously approved two interim dispositions to advance the return of funds to customers. A final disposition generally occurs as part of the COS application process, however, the Corporation received approval for a final disposition of \$803 as part of its 2019 annual rate application. The approved balance will be credited to customers over a one year period effective January 1, 2019.

Regulatory balances attract interest at OEB prescribed rates, which are based on Bankers' Acceptances three-month rate plus a spread of 25 basis points. The following rates were applied to the regulatory balances:

	2018	2017
Quarter 1	1.50%	1.10%
Quarter 2	1.89%	1.10%
Quarter 3	1.89%	1.10%
Quarter 4	2.17%	1.50%

12. Accounts payable and accrued liabilities

	2018	2017
Accounts payable – IESO energy purchases	\$ 7,967	\$ 7,970
Customer credit balances	911	1,600
Debt retirement charge payable to OEFC	(78)	251
Interest payable	13	13
Other	4,437	3,837
	\$ 13,250	\$ 13,671

WHITBY HYDRO ELECTRIC CORPORATION

Notes to Financial Statements (continued)
Year ended December 31, 2018
(in thousands of dollars)

13. Long-term debt

	2018	2017
Town of Whitby notes payable	\$ 28,338	\$ 28,338
Ontario Infrastructure loans	3,200	3,600
	31,538	31,938
Less current portion	400	400
Long-term portion	\$ 31,138	\$ 31,538

The notes payable bear interest at an average rate of 7.06% and are due on demand to the Town of Whitby. The Town of Whitby has waived its right to demand payment until January 1, 2020.

The Ontario Infrastructure loans have a maturity date of December 1, 2026 and have an interest rate of 3.36% per annum. Principal of \$33 and interest is payable in equal monthly installments, in advance, commencing on January 3, 2012. The loans are secured by a general security agreement over the assets of the Corporation.

14. Share capital

	2018	2017
Authorized:		
Unlimited number of common shares		
Issued:		
165 common shares	\$ 29,494	\$ 29,494

Dividends

The holders of the common shares are entitled to receive dividends as declared from time to time.

The Corporation paid dividends in the year of \$2,520 (2017 – \$2,520).

15. Other revenue

	2018	2017
Contributions received from customers	\$ 1,046	\$ 1,017
Collection and other service charges	729	352
Late payment charges	200	221
Pole and other rental income	145	134
Conservation and Demand Management performance adjustment	567	-
Miscellaneous	305	132
	\$ 2,992	\$ 1,856

WHITBY HYDRO ELECTRIC CORPORATION

Notes to Financial Statements (continued)
 Year ended December 31, 2018
 (in thousands of dollars)

16. Revenue from contracts with customers

The Corporation generates revenue primarily from the sale and distribution of electricity to its customers. Other sources of revenue include performance incentive payments under CDM programs.

	2018	2017
Revenue from contracts with customers	\$ 120,430	\$ 122,420
Other revenue		
CDM programs	566	-
Other	2,426	1,855
Total Revenue	\$ 123,422	\$ 124,275

In the following table, revenue from contracts with customers is disaggregated by type of customer.

	2018	2017
Residential	53,321	\$ 54,564
Commercial	67,109	67,856
Total Revenue	120,430	\$ 122,420

17. Operating expenses

	2018	2017
Service agreement contract expense	\$ 9,182	\$ 9,615
Depreciation and amortization	4,776	4,784
Contract/consulting/service fees	1,996	2,280
Salaries, wages and benefits	762	908
Community relations	126	131
Losses on disposal of property, plant and equipment	217	72
Other	133	96
	\$ 17,192	\$ 17,886

18. Net finance costs

	2018	2017
Finance income		
Interest income on bank deposits	\$ 76	\$ 63
Finance costs		
Interest expense on long-term debt	2,115	2,128
Interest expense on customer deposits	34	14
Other	84	62
	2,233	2,204
Net finance costs recognized in profit or loss	\$ 2,157	\$ 2,141

WHITBY HYDRO ELECTRIC CORPORATION

Notes to Financial Statements (continued)
Year ended December 31, 2018
(in thousands of dollars)

19. Commitments and contingencies

General Liability Insurance

The Corporation maintains appropriate types and levels of insurance with major insurers. With respect to liability insurance, the Corporation is a member of the Municipal Electricity Association Reciprocal Insurance Exchange ("MEARIE"). A reciprocal insurance exchange may be defined as a group of persons formed for the purpose of exchanging reciprocal contracts of indemnity or inter-insurance with each other. MEARIE is licensed to provide general liability insurance to its members. All members of the pool could potentially be subjected to an assessment for losses experienced by the pool for the years in which they were members on a pro-rata basis on the total of their respective service revenues. It is anticipated that should such an assessment occur it would be funded over a period of up to 5 years. As at December 31, 2018, no such assessments have been made.

Contractual Obligations

The Corporation is party to a connection and cost recovery agreement ("CCRA") with Hydro One Networks Inc. ("HONI"). This agreement was entered into to have HONI construct a transformer station for the purpose of serving the Corporation's customers including future anticipated electricity load growth. The Corporation, at the time of construction of the transformer station, was not required to make a capital contribution to HONI. However, a true-up calculation is required at the end of each of the fifth, tenth year and fifteenth years of operation of the transformer station. If the actual load plus revised forecasted load is lower than the initial CCRA forecasted load for the period, a capital contribution may be required. If, at the end of the tenth year, the actual load is 20 percent higher or lower than the initial load forecast, a further true-up is also required at the end of the fifteenth year. The latest true-up at the 10 year date, while not finalized, shows that the actual load on the transformer station is less than the forecasted load. The amount of and whether a contribution will be required is not known at this time.

General

From time to time, the Corporation is involved in various litigation matters arising in the ordinary course of its business. The Corporation has no reason to believe that the disposition of any such current matter could reasonably be expected to have a materially adverse impact on the Corporation's financial position, results of operations or its ability to carry on any of its business activities.

WHITBY HYDRO ELECTRIC CORPORATION

Notes to Financial Statements (continued)
Year ended December 31, 2018
(in thousands of dollars)

20. Operating leases

The Corporation is committed to lease agreements for various vehicles and equipment.

The future minimum non-cancellable annual lease payments are as follows:

	2018	2017
Less than one year	\$ 414	\$ 401
Between one and five years	2,181	2,007
More than five years	148	138
	\$ 2,743	\$ 2,546

During the year ended December 31, 2018 an expense of \$198 (2017 – \$159) was recognized in net income in respect of operating leases.

21. Related party transactions

(a) Parent and ultimate controlling party

The Parent of both the Corporation and Whitby Hydro Services Corporation is Whitby Hydro Energy Corporation, which in turn is wholly-owned by the ultimate controlling party, the Corporation of the Town of Whitby ("Town of Whitby"). The Town produces consolidated financial statements that are available for public use.

(b) Outstanding balances due from related parties

	2018	2017
Town of Whitby	\$ 297	\$ 381
Whitby Hydro Energy Services	25	14
	\$ 322	\$ 395

Outstanding balances due to related parties

	2018	2017
Whitby Hydro Energy Services	\$ 9,926	\$ 7,858
Town of Whitby	28,338	28,338
	\$ 38,264	\$ 36,196

Transactions between Whitby Hydro Energy Corporation, Whitby Hydro Electric Corporation, and the Whitby Hydro Energy Services Corporation are pursuant to an annual agreement and recorded at the exchange amount.

WHITBY HYDRO ELECTRIC CORPORATION

Notes to Financial Statements (continued)
Year ended December 31, 2018
(in thousands of dollars)

21. Related party transactions (continued)

(c) Transactions with the Town of Whitby

The Corporation had the following significant transactions with the Town of Whitby, a government entity:

The Corporation delivers electricity to the Town of Whitby 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 pays interest expense on outstanding promissory notes. Included in Operation, maintenance, and administration expense are fees remitted to the Town for providing fleet maintenance services on an ongoing basis in order for the Corporation to maintain its fleet.

	2018	2017
Revenue		
Energy and distribution	\$ 3,145	\$ 3,671
Expenses		
Interest	\$ 2,000	\$ 2,000
Operations, maintenance and administration	679	497
	\$ 2,679	\$ 2,497

(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	\$ 125	\$ 117
Salaries and other short-term benefits	213	213
	\$ 338	\$ 330

WHITBY HYDRO ELECTRIC CORPORATION

Notes to Financial Statements (continued)
Year ended December 31, 2018
(in thousands of dollars)

22. Financial instruments and risk management

Fair value disclosure

The carrying values of cash and cash equivalents, 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 customer deposits approximates fair value as the deposits bear interest at current rates.

The fair value of the Town of Whitby notes payable at December 31, 2018 is \$44,249 (2017 – \$41,929). 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. The interest rate used to calculate fair value at December 31, 2018 was 3.21% (2017 – 3.25%).

The fair value of the Ontario Infrastructure long-term debt at December 31, 2017 is \$3,231 (2017 – \$3,574). 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. The interest rate used to calculate fair value at December 31, 2018 was 3.19% (2017 – 3.61%).

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 Whitby. No single customer accounts for a balance in excess of 4.8% of total accounts receivable.

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 \$430 (2017 – \$340).

The Corporation's credit risk associated with accounts receivable is primarily related to payments from distribution customers. At December 31, 2018, approximately \$796 (2017 – \$584) is considered over 60 days past due. The Corporation has just over 42 thousand customers, the majority of whom are residential. Credit risk is managed through collection of security deposits from customers in accordance with direction provided by the OEB. As at December 31, 2018, the Corporation holds security deposits in the amount of \$2,268 (2017 – \$2,498).

WHITBY HYDRO ELECTRIC CORPORATION

Notes to Financial Statements (continued)
Year ended December 31, 2018
(in thousands of dollars)

22. Financial instruments and risk management (continued)

Financial risks (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.

(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 \$10,000,000 revolving 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 have been drawn under the Corporation's \$10,000,000 credit facility.

The Corporation also has a bilateral facility for \$6,900 (2017 – \$6,900) for the purpose of issuing letters of credit to support the prudential requirements of the IESO.

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 \$53,009 (2017 – \$50,451) and long-term debt amounts to \$31,138 (2017 – \$31,538).

WHITBY HYDRO ELECTRIC CORPORATION

Notes to Financial Statements (continued)
Year ended December 31, 2018
(in thousands of dollars)

23. Subsequent Event

On April 1, 2019, Whitby Hydro Energy Corporation amalgamated with Veridian Corporation ("Veridian") to form Elexicon Corporation. The Town of Whitby has a direct 32% ownership interest in Elexicon Corporation.

Elexicon Energy Inc. and Elexicon Group Inc. are 100% owned by Elexicon Corporation. Whitby Hydro Energy Corporation and Veridian Corporation Inc. will no longer exist after March 31, 2019.

The accounting and valuation for the amalgamations has not been finalized. Consequently, specific disclosures relating to the final share purchase price and acquired assets and liabilities are not available.

23. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

Schedule of Instalment Remittances

Name of corporation contact _____

Telephone number _____

Effective interest date	Description (instalment remittance, split payment, assessed credit)	Amount of credit
	Instalments	406,000
	Payment	830,000
Total amount of instalments claimed (carry the result to line 840 of the T2 Return)		1,236,000 A
Total instalments credited to the taxation year per T9		1,236,000 B

Transfer

Account number	Taxation year end	Amount	Effective interest date	Description
From:				
To:				
From:				
To:				
From:				
To:				
From:				
To:				
From:				
To:				

**Net Income (Loss) for Income Tax Purposes****Schedule 1**

Corporation's name Whitby Hydro Electric Corporation	Business number [REDACTED]	Tax year-end Year Month Day 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 5,079,025 **A**

Add:

Provision for income taxes – current	101	1,035,000	
Provision for income taxes – deferred	102	489,388	
Amortization of tangible assets	104	4,616,915	
Amortization of intangible assets	106	159,306	
Loss on disposal of assets	111	216,633	
Charitable donations and gifts from Schedule 2	112	44,900	
Non-deductible club dues and fees	120	11,600	
Non-deductible meals and entertainment expenses	121	1,324	
Subtotal of additions		6,575,066	6,575,066

Other additions:

Non-deductible legal and accounting fees	228	423,208	

Miscellaneous other additions:

1 Description	2 Amount		
605	295		
1 Addback Re: 12(1)(x)	2,470,429		
2 Net OM&A Addback - Regulatory Assets	85,800		
Total of column 2	2,556,229	296	2,556,229
Subtotal of other additions	199	2,979,437	2,979,437
Total additions	500	9,554,503	9,554,503 B

Amount A plus amount B 14,633,528 **C**

Deduct:

Capital cost allowance from Schedule 8	403	6,087,516	
Subtotal of deductions		6,087,516	6,087,516

Other deductions:**Miscellaneous other deductions:**

1 Description	2 Amount		
705	395		
1 Amortization of deferred capital contributions	1,046,168		
2 Tax included in net movement in regulatory balances	489,388		
3 Election under S13(7.4)	2,470,429		
4 Capitalized overhead deducted for tax	486,539		
Total of column 2	4,492,524	396	4,492,524
Subtotal of other deductions	499	4,492,524	4,492,524
Total deductions	510	10,580,040	10,580,040 D

Net income (loss) for income tax purposes (amount C minus amount D) 4,053,488 **E**
Enter amount E on line 300 of the T2 return.



Charitable Donations and Gifts

Corporation's name	Business number	Tax year-end Year Month Day
Whitby Hydro Electric Corporation		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)
Grandview Children's Foundation	5,000
Ability Centre Gala	5,000
Rotary Sunrise Whitby (Savour the Flavour)	2,300
Foundation Gala	5,000
Ontario Shores Centre	10,000
Station Gallery	5,000
Abilities Centre	10,000
Salvation Army Programs	2,500
Legion	100
	Subtotal 44,900
Add: Total donations of less than \$100 each	
Total donations in current tax year	
	44,900

Part 1 – Charitable donations

	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 210	44,900	44,900	44,900
(include this amount on line 112 of Schedule 1 Net Income (Loss) for Income Tax Purposes)			
Subtotal (line 250 plus line 210)	44,900 B	44,900	44,900
Subtotal (line 240 plus amount B)	44,900 C	44,900	44,900
Adjustment for an acquisition of control 255			
Total charitable donations available (amount C minus line 255)	44,900 D	44,900	44,900
Amount applied in the current year against taxable income (cannot be more than amount L in Part 2) 260	44,900	44,900	44,900
(enter this amount on line 311 of the T2 return)			
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
1 st prior year	2017-12-31			
2 nd prior year	2016-12-31			
3 rd prior year	2015-12-31			
4 th prior year	2014-12-31			
5 th prior year	2013-12-31			
6 th prior year*	2012-12-31			
7 th prior year	2011-12-31			
8 th prior year	2010-12-31			
9 th prior year	2009-12-31			
10 th prior year	2008-12-31			
11 th prior year	2007-12-31			
12 th prior year	2006-12-31			
13 th prior year	2005-12-31			
14 th prior year	2004-12-31			
15 th prior year	2003-12-31			
16 th prior year	2002-12-31			
17 th prior year	2001-12-31			
18 th prior year	2000-12-31			
19 th prior year				
20 th prior year				
21 st 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 %		3,040,116	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)		3,040,116	K
Maximum allowable deduction for charitable donations (enter amount D from Part 1, amount K, or net income for tax purposes, whichever is less)		44,900	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

	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 410			
(include this amount on line 112 of Schedule 1)			
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 460			
(enter this amount on line 313 of the T2 return)			
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
1 st prior year 2017-12-31			
2 nd prior year 2016-12-31			
3 rd prior year 2015-12-31			
4 th prior year 2014-12-31			
5 th prior year 2013-12-31			
6 th prior year* 2012-12-31			
7 th prior year 2011-12-31			
8 th prior year 2010-12-31			
9 th prior year 2009-12-31			
10 th prior year 2008-12-31			
11 th prior year 2007-12-31			
12 th prior year 2006-12-31			
13 th prior year 2005-12-31			
14 th prior year 2004-12-31			
15 th prior year 2003-12-31			
16 th prior year 2002-12-31			
17 th prior year 2001-12-31			
18 th prior year 2000-12-31			
19 th prior year			
20 th prior year			
21 st 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		Federal	Québec	Alberta
Year of origin:				
1 st prior year	2017-12-31			
2 nd prior year	2016-12-31			
3 rd prior year	2015-12-31			
4 th prior year	2014-12-31			
5 th prior year	2013-12-31			
6 th prior year*	2012-12-31			
7 th prior year	2011-12-31			
8 th prior year	2010-12-31			
9 th prior year	2009-12-31			
10 th prior year	2008-12-31			
11 th prior year*	2007-12-31			
12 th prior year	2006-12-31			
13 th prior year	2005-12-31			
14 th prior year	2004-12-31			
15 th prior year	2003-12-31			
16 th prior year	2002-12-31			
17 th prior year	2001-12-31			
18 th prior year	2000-12-31			
19 th prior year				
20 th prior year				
21 st 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	_____	_____	_____
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	Additional deduction for gifts of medicine made before March 22, 2017	610 _____
a _____ x $\left(\frac{b}{c} \right)$		
Québec	Additional deduction for gifts of medicine made before March 22, 2017	_____
a _____ x $\left(\frac{b}{c} \right)$		
Alberta	Additional deduction for gifts of medicine made before March 22, 2017	_____
a _____ x $\left(\frac{b}{c} \right)$		

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)

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	660 _____	_____	_____
(enter this amount on line 315 of the T2 return)			
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
1 st prior year	2017-12-31			
2 nd prior year	2016-12-31			
3 rd prior year	2015-12-31			
4 th prior year	2014-12-31			
5 th prior year	2013-12-31			
6 th prior year*	2012-12-31			
7 th prior year	2011-12-31			
8 th prior year	2010-12-31			
9 th prior year	2009-12-31			
10 th prior year	2008-12-31			
11 th prior year	2007-12-31			
12 th prior year	2006-12-31			
13 th prior year	2005-12-31			
14 th prior year	2004-12-31			
15 th prior year	2003-12-31			
16 th prior year	2002-12-31			
17 th prior year	2001-12-31			
18 th prior year	2000-12-31			
19 th prior year				
20 th prior year				
21 st 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
1 st prior year	2017-12-31	
2 nd prior year	2016-12-31	
3 rd prior year	2015-12-31	
4 th prior year	2014-12-31	
5 th prior year	2013-12-31	
6 th prior year*	2012-12-31	
7 th prior year	2011-12-31	
8 th prior year	2010-12-31	
9 th prior year	2009-12-31	
10 th prior year	2008-12-31	
11 th prior year	2007-12-31	
12 th prior year	2006-12-31	
13 th prior year	2005-12-31	
14 th prior year	2004-12-31	
15 th prior year	2003-12-31	
16 th prior year	2002-12-31	
17 th prior year	2001-12-31	
18 th prior year	2000-12-31	
19 th prior year		
20 th prior year		
21 st prior year*		
Total		

* These gifts expired in the current year.

**Dividends Received, Taxable Dividends Paid, and
Part IV Tax Calculation**

Corporation's name	Business number	Tax year-end Year Month Day
Whitby Hydro Electric Corporation		2018-12-31

- 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); or
 - 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.
- A recipient corporation is **connected** with a payer corporation at any time in a tax year, if at that time the recipient corporation:
 - controls the payer corporation, other than because of a right referred to in paragraph 251(5)(b); or
 - 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 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 and I **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 column J and K use the **special calculations provided in the notes**.

1	A Name of payer corporation (from which the corporation received the dividend)	A1	B Enter 1 if payer corporation is connected	C Business Number of connected corporation	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	E Non-taxable dividends under section 83
	200		205	210	220	230
			2			
Total of column E (enter amount on line 402 of Schedule 1)						

Part 1 – Dividends received in the tax year (continued)

F	F1	G	H	I	J	K
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) ^{note 1}		Eligible dividends included in column F	Total taxable dividends paid by connected payer corporation (for tax year in column D)	Dividend refund of the connected payer corporation (for tax year in column D) ^{note 2}	Part IV tax for eligible dividends. Dividends (from column G) multiplied by 38 1/3% ^{note 3}	Part IV tax before deductions. Dividends (from column F) multiplied by 38 1/3% ^{note 4}
240		242	250	260	265	275
1						

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 J or column K whichever one applies. 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.

Part 2 – Calculation of Part IV tax payable

Part IV tax on dividends received before deductions (amount 1H in part 1)	2A
Part IV 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 (ERDTH) at the end of the tax year.

Part IV tax before deductions on taxable dividends received from connected corporations ^{note 5} (amount 1F 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)

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 (ERDTH) at the end of the tax year.

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 eligible 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)

5 To the extent of a dividend refund to the connected payer corporation from its eligible refundable dividend tax on hand (ERDTH). Otherwise, the amount 2E is nil.

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 connected recipient corporation, 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 connected recipient corporation	M Business Number	N Tax year-end of connected recipient corporation in which the dividends in column O were received YYYYMMDD	O Taxable dividends paid to connected corporations	P Eligible dividends included in column O
	400	410	420	430	440
1	Whitby Hydro Energy Corporation		2018-12-31	2,520,000	
2					
				2,520,000	
				(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	2,520,000
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	2,520,000

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)	966,000	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)		2,520,000
Other dividends paid in the tax year (total of 510 to 540)		
Total dividends paid in the tax year	500	2,520,000

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)		2,520,000 4B



Corporation Loss Continuity and Application

Corporation's name	Business number	Tax year-end Year Month Day
Whitby Hydro Electric Corporation		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 4,053,488 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 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 h
 Subtotal (amount g **plus** amount h) I
 Subtotal (amount H **plus** amount I) 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	130	k
Enter amount k on line 331 of the T2 Return.		
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)		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	10,369	a
Capital losses transferred on an amalgamation or on the wind-up of a subsidiary corporation	205		b
Subtotal (amount a plus amount b)		10,369	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)		10,369 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)		10,369 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)	10,369	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	10,369 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 **2,500** b

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
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

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
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*.

Canada Revenue
AgencyAgence du revenu
du Canada**Tax Calculation Supplementary – Corporations****Schedule 5**

Corporation's name	Business Number	Tax year-end Year Month Day
Whitby Hydro Electric Corporation		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 Yes ☐	103		143		
Newfoundland and Labrador Offshore Yes ☐	104		144		
Prince Edward Island Yes ☐	105		145		
Nova Scotia Yes ☐	107		147		
Nova Scotia Offshore Yes ☐	108		148		
New Brunswick Yes ☐	109		149		
Quebec Yes ☐	111		151		
Ontario Yes ☐	113		153		
Manitoba Yes ☐	115		155		
Saskatchewan Yes ☐	117		157		
Alberta Yes ☐	119		159		
British Columbia Yes ☐	121		161		
Yukon Yes ☐	123		163		
Northwest Territories Yes ☐	125		165		
Nunavut Yes ☐	126		166		
Outside Canada 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:

- 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.
- If the corporation has provincial or territorial tax payable, complete Part 2.
- 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
4,008,588		4,008,588	460,988

Ontario basic income tax (from Schedule 500)	270	460,988	
Ontario small business deduction (from Schedule 500)	402		
Subtotal (line 270 minus line 402)		460,988	▶ 460,988 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)		460,988	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")		460,988	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")		460,988	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")		460,988	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)		460,988	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 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)			▶ 5J
Net Ontario tax payable or refundable tax credit (amount 5I minus amount 5J)	290	460,988	

(if a credit, enter amount in brackets) Include this amount on line 255.

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	<u>460,988</u>

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.



Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
Whitby Hydro Electric Corporation		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 ☒

1 Class number * See note 1	Description	2 Undepreciated capital cost (UCC) at the beginning of the year	3 Cost of acquisitions during the year (new property must be available for use) See note 2	4 Cost of acquisitions from column 3 that are accelerated investment incentive properties (AIIP) See note 3	5 Adjustments and transfers See note 4	6 Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition See note 5	7 Amount from column 5 that is repaid during the year for a property, subsequent to its disposition See note 6	8 Proceeds of dispositions See note 7	For tax years ending before November 21, 2018: 50% rule (1/2 of net acquisitions)
200		201	203	225	205	221	222	207	211
1. 1	BLDG, PLANT & DISTR	33,378,547	202,264	143,224				0	
2. 2	GEN & DISTR < 1988	4,949,174						0	
3. 8	OFFICE EQUIPMENT	2,111,506	407,304	65,529				0	
4. 10	COMPUTER EQUIPMENT	3,734						0	
5. 12	Computer Software	73,399	124,596	15,188	137,048			0	
6. 14.1	Goodwill	456,612						0	
7. 14.1	Transaction Costs		423,208	120,987				0	
8. 17	YARD IMPROVEMENTS	289,883						0	
9. 43.2	SOLAR PANELS	27,050						0	
10. 45	COMPUTER EQUIPMENT ACQUI	310						0	
11. 47	GEN & DISTR > FEB 22, 2005	39,491,718	7,186,287	1,017,915	-137,048			0	
12. 50	COMPUTER EQUIPMENT ACQUI	86,109	57,030	40,552				0	
13. 95	WIP	242,557	710,660					0	
Totals		81,110,599	9,111,349	1,403,395					



	1 Class number *	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	14 CCA rate % See note 11	15 Recapture of CCA See note 12	16 Terminal loss See note 13	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	18 UCC at the end of the year (column 9 minus column 17)
	200						224	212	213	215	217	220
1.	1	BLDG,	33,580,811		143,224	71,612	29,520	4	0	0	1,344,916	32,235,895
2.	2	GEN &	4,949,174					6	0	0	296,950	4,652,224
3.	8	OFFICE	2,518,810		65,529	32,765	170,888	20	0	0	476,137	2,042,673
4.	10	COMPL	3,734					30	0	0	1,120	2,614
5.	12	Compu	335,043		15,188		54,704	100	0	0	280,339	54,704
6.	14.1	Goodw	456,612					5	0	0	31,963	424,649
7.	14.1	Transa	423,208		120,987	60,494	151,111	5	0	0	16,630	406,578
8.	17	YARD I	289,883					8	0	0	23,191	266,692
9.	43.2	SOLAR	27,050					50	0	0	13,525	13,525
10.	45	COMPL	310					45	0	0	140	170
11.	47	GEN &	46,540,957		1,017,915	508,958	3,084,186	8	0	0	3,517,258	43,023,699
12.	50	COMPL	143,139		40,552	20,276	8,239	55	0	0	85,347	57,792
13.	95	WIP	953,217				355,330	0	0	0		953,217
Totals			90,221,948		1,403,395	694,105	3,853,978				6,087,516	84,134,432

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		9,111,349	
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):			
Capital contributions received during the year	+	2,470,429	
Software opening NBV	+	252,986	
Capitalized overhead deducted for tax	+	486,539	
Rounding in closing NBV	+	535	
Total additions per books	=	12,321,838	12,321,838
Proceeds up to original cost – Schedule 8 regular classes			
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):			
Transaction costs capitalized	+	423,208	
Total proceeds per books	=	423,208	423,208
Depreciation and amortization per accounts – Schedule 1		–	4,776,221
Loss on disposal of fixed assets per accounts		–	216,633
Gain on disposal of fixed assets per accounts		+	
Net change per tax return	=		6,905,776

Financial statements

Fixed assets (excluding land) per financial statements

Closing net book value		102,769,000	
Opening net book value	–	95,863,224	
Net change per financial statements	=		6,905,776

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



RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
Whitby Hydro Electric Corporation		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.	Town of Whitby		NR	3					
2.	Whitby Hydro Energy Corporation			1					
3.	Whitby Hydro Energy Services Corp.			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



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	2 Business number of associated corporations	3 Association code	4 Business limit for the year before the allocation \$	5 Percentage of the business limit %	6 Business limit allocated* \$
	100	200	300		350	400
1	Whitby Hydro Electric Corporation	[REDACTED]	1	500,000	100.0000	500,000
2	Town of Whitby	NR	1	500,000		
3	Whitby Hydro Energy Corporation	[REDACTED]	1	500,000		
4	Whitby Hydro Energy Services Corporation	[REDACTED]	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 $0.225\% \times (D - \$10,000,000)$. 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.

**Taxable Capital Employed in Canada – Large Corporations**

Corporation's name	Business number	Tax year-end Year Month Day
Whitby Hydro Electric Corporation		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:

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	29,494,042
Retained earnings	104	23,516,041
Contributed surplus	105	
Any other surpluses	106	
Deferred unrealized foreign exchange gains	107	
All loans and advances to the corporation	108	40,161,000
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109	3,600,000
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)		96,771,083
		96,771,083 A

Note:Line 112 is determined by the formula $(A - B) \times C/D$ (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
- those lines applied to partnerships in the same manner that they apply to corporations, and
 - those amounts were computed without reference to amounts owing by the partnership
 - to any corporation that held a membership interest in the partnership either directly or indirectly through another partnership, or
 - 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) 96,771,083 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** 96,771,083**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**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 capitalCapital for the year (line 190) 96,771,083 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** 96,771,083

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)	96,771,083	x	Taxable income earned in Canada	610	4,008,588	=	Taxable capital employed in Canada	690	96,771,083
			Taxable income		4,008,588				

- 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.

**SHAREHOLDER INFORMATION**

Name of corporation	Business Number	Tax year end Year Month Day
Whitby Hydro Electric Corporation		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.

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



General Rate Income Pool (GRIP) Calculation

Corporation's name Whitby Hydro Electric Corporation	Business number [REDACTED]	Tax year-end Year Month Day 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
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	35,368,075	A
Taxable income for the year (DICs enter "0") *	110	4,008,588	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	4,008,588	
After-tax income (line 150 multiplied by 0.72 (the general rate factor for the tax year))	190	2,886,183	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)		38,254,258	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	38,254,258	
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)	590	38,254,258	

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.

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 1,695,959 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) C1

Subtotal (amount B1 **plus** amount C1) ► D1

Subtotal (amount A1 **minus** amount D1) (if negative, enter "0") 1,695,959 ► 1,695,959 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** 2016-12-31Taxable income before specified future tax consequences from
the current tax year 3,313,724 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 B2Aggregate investment income
(line 440 of the T2 return) C2Subtotal (amount B2 **plus** amount C2) ▶ D2Subtotal (amount A2 **minus** amount D2) (if negative, enter "0") 3,313,724 ▶ 3,313,724 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 G2Aggregate investment income
(line 440 of the T2 return) H2Subtotal (amount G2 **plus** amount H2) ▶ I2Subtotal (amount F2 **minus** amount I2) (if negative, enter "0") ▶ J2Subtotal (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 2015-12-31Taxable income before specified future tax consequences from
the current tax year 3,947,983 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 B3Aggregate investment income
(line 440 of the T2 return) C3Subtotal (amount B3 **plus** amount C3) ▶ D3Subtotal (amount A3 **minus** amount D3) (if negative, enter "0") 3,947,983 ▶ 3,947,983 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 G3Aggregate investment income
(line 440 of the T2 return) H3Subtotal (amount G3 **plus** amount H3) ▶ I3Subtotal (amount F3 **minus** amount I3) (if negative, enter "0") ▶ J3Subtotal (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 Postamalgamation . . . ☐ Postwind-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.

**Part III.1 Tax on Excessive Eligible Dividend Designations**

Corporation's name	Business number	Tax year-end Year Month Day
Whitby Hydro Electric Corporation		2018-12-31

- 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 completed 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 (GRIP), and low rate income pool (LRIP).
- 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.

Do not use this area**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	.....	2,520,000	
Total taxable dividends paid in the tax year	.....	100	2,520,000
Total eligible dividends paid in the tax year	.....	150	A
GRIP at the end of the tax year (line 590 on Schedule 53) (if negative, enter "0")	.....	160	38,254,258 B
Excessive eligible dividend designation (line 150 minus line 160)	.....		C
Deduct:			
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *	.....	180	D
Subtotal (amount C minus amount D)			E
Part III.1 tax on excessive eligible dividend designations – CCPC or DIC (amount E multiplied by 20 %)	.....	190	F
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 from line A of Schedule 54)	.....		G
Deduct:			
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *	.....	280	H
Subtotal (amount G minus amount H)			I
Part III.1 tax on excessive eligible dividend designations – Other corporations (amount I multiplied by 20 %)	.....	290	J
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. For more information on how to make this election, go to www.cra.gc.ca/eligibledividends.



Ontario Corporation Tax Calculation

Corporation's name	Business number	Tax year-end Year Month Day
Whitby Hydro Electric Corporation		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 *	4,008,588	A
Ontario basic rate of tax for the year	11.5 %	B
Ontario basic income tax (amount A multiplied by amount B **)	460,988	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	4,053,488	1
Amount from line 405 of the T2 return	4,008,588	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 *	4,008,588.00 = 1.00000 E
	Taxable income for all provinces **	4,008,588
Amount D multiplied by amount E		4
Ontario taxable income (amount A from Part 1)	4,008,588	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	365	x 7 % = % G1
Number of days in the tax year after December 31, 2017	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.

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.

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) 0

Enter amount O on line 410 of Schedule 5.



Ontario Corporate Minimum Tax

Corporation's name	Business number	Tax year-end Year Month Day
Whitby Hydro Electric Corporation		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	129,874,000
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	95,185,995
Total assets (total of lines 112 to 116)		225,059,995
Total revenue of the corporation for the tax year **	142	123,205,367
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	117,012,527
Total revenue (total of lines 142 to 146)		240,217,894

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	5,079,025
Add (to the extent reflected in income/loss):			
Provision for current income taxes/cost of current income taxes	220	1,035,000	
Provision for deferred income taxes (debits)/cost of future income taxes	222	489,388	
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	1,524,388	1,524,388 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	382		
383	384		
385	386		
387	388		
389	390		
	Subtotal		B
Adjusted net income/loss for CMT purposes (line 210 plus amount A minus amount B)	490	6,603,413	

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 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)	.....	
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 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)	 460,988	1
For a corporation that is not a life insurance corporation:		
CMT after foreign tax credit deduction (amount D from Part 3)	 178,292	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:	6
	Subtotal (if negative, enter "0")	282,696 N
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)	 460,988	
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")	460,988 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.

**ONTARIO CORPORATE MINIMUM TAX – TOTAL ASSETS
AND REVENUE FOR ASSOCIATED CORPORATIONS**

Name of corporation	Business Number	Tax year-end Year Month Day
Whitby Hydro Electric Corporation	██████████	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	Business number (Canadian corporation only) (see Note 1)	Total assets* (see Note 2)	Total revenue** (see Note 2)
	200	300	400	500
1	Town of Whitby	NR	50,000,000	100,000,000
2	Whitby Hydro Energy Corporation	██████████	30,432,176	3,181,940
3	Whitby Hydro Energy Services Corporation	██████████	14,753,819	13,830,587
	Total		450 95,185,995	550 117,012,527

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.

**CORPORATIONS INFORMATION ACT ANNUAL RETURN FOR ONTARIO CORPORATIONS**

Name of corporation	Business Number	Tax year-end Year Month Day
Whitby Hydro Electric Corporation		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)			
Whitby Hydro Electric 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		2000-11-01	

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	
100	Taunton Road East		
240 Additional address information if applicable (line 220 must be completed first)			
PO BOX 59			
250 Municipality (e.g., city, town)	260 Province/state	270 Country	280 Postal/zip code
Whitby	ON	CA	L1N 5R8

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."
☐ 2 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 ABI-RASHED	451 RAMONA
Last name	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.



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	Enter one of the following:		
Veridian Connections Inc.	Business number (BN)		
Tax year	From: 2019-01-01 Year Month Day To: 2019-03-31 Year Month Day		
050 Total number of projects you are claiming this tax year:	Social insurance number (SIN)		
3			
100 Contact person for the financial information	105 Telephone number/extension	110 Fax number	
	(905) 427-9870	(905) 668-6598	
115 Contact person for the technical information	120 Telephone number/extension	125 Fax number	
	(905) 427-9870	(905) 668-6598	

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

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

Code 1501

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 ☐ 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)

- 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	+	180,682
b) Specified employees for work performed in Canada	305	+	
Subtotal (add lines 300 and 305)	306	=	180,682
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	+	
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	=	180,682
• 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	=	180,682

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

Amount from line 400	420		180,682
Deduct			
• provincial government assistance for expenditures included on line 400	429	–	6,324
• 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	–	198,498
• sale of SR&ED capital assets and other deductions	440	–	
Subtotal (line 420 minus lines 429 to 440)	442	=	-24,140
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	=	
• Deduction claimed in the year (Corporations should enter this amount on line 411 of schedule T2SCH1)	460	–	
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)		Current Expenditures	Capital Expenditures
Total expenditures for SR&ED (from lines 380 and 390)	492	180,682	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 +	98,922	
• 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 =	279,604	512 =
Deduct (see note 4)			
• provincial government assistance	513 –	9,786	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 –		
• 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 =	269,818	558 =
Qualified SR&ED expenditures (add lines 557 and 558)			559 = 269,818
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 = 269,818

* 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** + 180,682

Deduct

Bonuses, remuneration based on profits, and taxable benefits that were included on line 810 **812** – 823

Subtotal (line 810 minus 812) **814** = 179,859

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 = 179,859

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** = 98,922

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	Cost of materials in the tax year	Contract expenditures for SR&ED performed on your behalf in the tax year
	(Total of lines 306 to 309)	(Total of lines 320 and 325)	(Total of lines 340 and 345)
1. P1: Distribution system automation (to minimize faults/outa	80,607		
2. P2: Operations Information Systems improvements	55,043		
3. P3: System planning & analysis for improvements to the dist	45,032		
Total	180,682		

Part 7 – Additional information

Expenditures for SR&ED performed by you in Canada (line 400 minus lines 307, 309, 340, 345, and 370) **605** 180,682

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	6
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 ☒
2. entered the method you have chosen for reporting your SR&ED expenditures in Section A of Part 3 ☒
3. completed Part 2 for each project ☒
4. filed a completed Schedule T2SCH31 or Form T2038(IND) to claim ITCs on your qualified SR&ED expenditures ☒
5. filed a completed Form T1145*, T1146**, T1174*** and/or T1263**** including any required attachments, if applicable ☒

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* ☒
2. filed the appropriate provincial and/or territorial tax credit forms, if applicable ☒
3. retained documents to support the SR&ED work performed and SR&ED expenditures you claimed ☒
4. checked boxes 231 and 232 on page 2 of your T2 return to indicate attachment of Form T661 and Schedule T2SCH31 ☒

* 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 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)			
P1: Distribution system automation (to minimize faults/outage)			
202 Project start date	204 Completion or expected completion date	206 Field of science or technology code (See guide for list of codes)	
2015-05 Year Month	2020-12 Year Month	2.02.01	Electrical and electronic engineering
Project claim history			
208 1 ☒ 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 ☒ 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)	
1. The obstacles to be resolved were all connected with completing the	
2. installation of the balance of the 5 U/G switches, testing them individually	
3. and then networking, and integrating their operations/communications within	
4. VCI's SCADA system. As the items involved were all new to VCI and had to be	
5. installed on, within or adjacent to the existing facilities, physical	
6. limitations and accessibility issues were constraints in practically every	
7. case. More specifically the obstacles were:	
8. (1) Determining, for the U/G switch installations yet to be finished, the site	
9. specific design modifications to the base design used for the first partially	
10. completed installation, taking into consideration, as needed, locational and	
11. surrounding terrain constraints, potential foundation redesign for below grade	
12. installation, possible provision of a foundation for the low voltage control	
13. unit to be located above grade, and adding both drainage and sump pumping	
14. capability to deal with anticipated water incursions.	
15. (2) Understanding why any installed U/G switch unit malfunctions and	
16. developing solutions to eliminate any re-occurrence.	
17. (3) Integrating all 9 U/G switches and the 9 O/H switches with the SCADA	
18. system with intelligence that control the operation of the U/G units and O/H	
19. switches, with reliable, fail-safe communications.	
20. (4) Deciding what spare parts and modules should be provided to support the	
21. pilot after it goes live.	
22. (5) Conceiving and planning how the DAS pilot would be brought into service	
23. after the balance of the 18 switches were installed, and their operation	
24. verified on a standalone basis.	
25. (6) Establishing what monitoring and reporting was required to establish the	
26. reliability performance improvements that were actually achieved its	
27. operation.	
28. While VCI was used to operating switches remotely through its SCADA system	
29. tool, it would be a new mode of network operations for local automated switch	
30. operation to be performed on its own without any centralized intelligence or	
31. SCADA intervention. Radio survey and placement of Radios and RUT were	
32. essential part of the project to attempt to meet the SCADA communication	
33. requirement. However communication to SCADA was a challenge due to	
34. obstructions and an alternate solution was sought.	

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. Work performed updates for SY2019 - Stub Year - Jan 2019 to Mar 2019:

2.

3. Previously, VCI had made detailed installation designs for the set of 9

4. automated intelligent O/H switches and 9 U/G switches and their installation &

5. testing on a standalone basis. VCI had also designed & implemented the IT

6. infrastructure arrangements and radio communication system using a separate IP

7. network, after deciding how to route information from O/H switch to U/G

8. switchgear and vice versa, and on communications with the SCADA system master.

9. Software was upgraded and tested under various system loading scenarios.

10. Veridian has continued work for the firmware upgrade. Communication upgrades

11. and testing of the field devices to meet the software and self-healing system

12. requirements was undertaken. Veridian is subsequently in the process of

13. creating new standard operating procedures line and the system control center;

14. with a specific focus on in-fault and post-fault analysis.

15.

16. DAS pilot efforts continued. However, component replacements were necessary

17. to move to the next stage in which the DA pilot would be capable of running on

18. its own and opening and closing switches based upon distribution network grid

19. events. Testing on a standalone switch basis continued to verify

20. communications linkages with the SCADA system. This work had led to a

21. decision to replace a below grade switchgear with a pad mounted switchgear at

22. grade. Efforts towards conducting the DA pilot to go live continued without

23. this unit in place. New pad mounted switch gear unit was installed and we

24. continued to attempt to develop a self-healing system configuration.

25.

26. Throughout the development period, we continued work on SCADA programming for

27. the self-healing system, so that if there is a power-loss, then the switch

28. will identify there is a power loss, and the power will re-route

29. automatically. We also continued working on the SMART portion of this pilot

30. trial all year. The system went live for testing in earlier fiscal periods,

31. and while it appeared to work well; the self-healing switches had required

32. additional development. Reprogrammed the self-healing team using most updated

33. technology to achieve better functionalities. This upgrade allows Veridian

34. engineers to remotely control and reconfigure/ reroute the system devices

35. without going in to the field. This work is now considered complete.

36.

37. We continued monitoring the SMART portion of the pilot trial.

38.

39. To track the improvements and the benefits of the changes (due to

40. reprogramming); we performed the required testing's using simulation software.

41. Testing continued on the functionality of Automatic Restoration System and

42. approved by Veridian. Failures were noted, modifications made and testing

43. repeated. In the SY2019 (Stub Year 2019) the self healing system was revised

44. to attempt to accommodate newly installed switches and a future extension of

45. the scope of functionality.

46. Other SY2019 work included:

47. -Radio repeaters added and switch antenna height was raised to attempt to

48. avoid communication losses of SCADA and a radio survey was subsequently

49. conducted. Revisions to procedures and standards will remain ongoing.

50.

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 advancement sought was to increase the understanding and the application

2. know-how; to implement distribution automation system (DAS) concepts with

3. intelligent switches to improve reliability performance in an area whose

4. performance was continuing to deteriorate. VCI wanted to use groups of

5. switches, incorporating automatic sensing and operation, to sense/isolate

6. faults, and then restore power to unaffected parts of the local network. VCI
7. had examined the issues, challenges and obstacles associated with a DAS pilot
8. for the 13.8kV O/H lines and U/G cables on the 4-feeders. Its analysis
9. indicated an improvement potential to go to 24.4 minutes from 72.3
10. minutes/customer/year. Other notable achievements included: S&C self-healing
11. system - firmware upgrade, reprogramming SCADA redundancy and back up control
12. room as well as mobile SCADA control room. In FY2018 further advancements were
13. achieved with [REDACTED] software and system self-configurable based
14. solutions; The ability to accommodate future addition of the switches in the
15. self-healing system; the knowledge of repeater locations, orientations and
16. configurations; and improvement methodologies to attempt to achieve greater
17. reliability of communication paths.

Section C – Additional project information

Who prepared the responses for Section B?

253	1 ☒ Employee directly involved in the project	254	Name	[REDACTED]
255	1 ☐ Other employee of the company	256	Name	
257	1 ☒ External consultant	258	Name	Deloitte LLP
		259	Firm	Deloitte LLP

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

260	Names	261	Qualifications/experience and position title
1	[REDACTED]		
2	[REDACTED]		
3	[REDACTED]		

265	Are you claiming any salary or wages for SR&ED performed outside Canada?	 1 ☐ Yes	2 ☒ No
266	Are you claiming expenditures for SR&ED carried out on behalf of another party?	 1 ☐ Yes	2 ☒ No
267	Are you claiming expenditures for SR&ED performed by people other than your employees?	 1 ☐ Yes	2 ☒ No

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

268	Names of individuals or companies	269	BN
1			

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 ☒ Records of resources allocated to the project, time sheets	277	1 ☒ Test protocols, test data, analysis of test results, conclusions
272	1 ☐ 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 ☐ Contracts
275	1 ☐ Records of trial runs	281	1 ☒ Others, specify 282 emails

Part 2 – Project information (continued)

Project number 2

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)

P2: Operations Information Systems improvements

202 Project start date

2015-01

Year Month

204 Completion or expected completion date

2021-12

Year Month

206 Field of science or technology code
(See guide for list of codes)

2.02.01

Electrical and electronic engineering

Project claim history

208 1 ☒ 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 ☒ NoIf 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)

1. Interfacing the OMS tool to various other systems, was still a concern. The
2. OMS/GIS interface still needed to be verified from additional testing and
3. experimentation continued with improvements in customer communication by
4. interfacing with social media, phone systems and email systems. The
5. improvement contribution from using an Enterprise Service Bus (ESB) and
6. whether one was worth implementing was a continuing uncertainty that would not
7. be resolved until a solution was completed and the next interface initiated.
8. Progress continued on enhancement of the GIS to improve performance, as well
9. as to create operating geo-schematics directly from the GIS. This would add
10. greater uncertainty in understanding how to interface two distinctly different
11. GIS systems from two different vendors and in manipulating schematic engines
12. into providing the desired result. In addition, paper mapping processes in the
13. system control centre were very inefficient and no industry solution could be
14. found to eliminate these paper maps altogether.
15. In 2018 various updates to existing applications were required, [REDACTED]
- [REDACTED] and various other enhancements.
17. The DMB (Digital Map Board) application provided some unique challenges in
18. requiring maps at different scales and pixel density to be displayed on a
19. single continuous interface. VCI attempted to overcome many of these
20. challenges by caching at various resolutions, reconfiguring schematics, and
21. devising software tools to attempt to allow for quick high quality zooming,
22. leading to the conversion of almost all distribution level maps. However,
23. there are still some challenges with regards to operating level maps. The
24. pixel density of the hardware itself has become an issue. VCI has tried
25. multiple hardware configurations in an attempt to resolve this, so far with no
26. success.
- 27.

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.
2. Work performed updates for SY2019 - Stub Year - Jan 2019 to Mar 2019:
- 3.
4. Though development continued on the existing GIS viewer and new features were
5. added, because Microsoft has ended support of its [REDACTED]
6. (on which the GIS viewer was build) it was decided that the application would
7. be re-written as a windows 10 universal application, whose code can also be

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)

8. used in conjunction with [REDACTED] to deploy to IOS and Android in the future.
9. Development on this began in 2016 with the plan to be deployed in 2017. The
10. deployment of the application was delayed, in part due to resource
11. constraints, and in part due to performance issues of several aspects of the
12. application. However, several trials were conducted with the underlying GIS
13. software to improve performance.
14.
15. Because of a pending merger and because of a major set of breaking API changes
16. from a vendor, progress on the new GIS application was paused, however some
17. development was required to keep the aging [REDACTED]
18. functional such as [REDACTED] and adding support
19. for vector tiles. Because the GIS vendor [REDACTED] behind the
20. application has been deprecated by the vendor, these features had to be
21. manually ported back to the application by VCI
22.
23. Enhancements to the schematics solution in 2017 included adding the ability to
24. have multiple schematic diagrams for a single area to accommodate different
25. switching maps. This involved engineering and use of undocumented features in
26. the Esri Schematics schema. This work continued into 2018 with the addition of
27. a new custom built and designed app to replace the paper maps in the system
28. control centre with a 'digital map board', with deployment and field testing.
29.
30. The first version of the Digital Map Board was successfully launched in 2018
31. and work continued into SY2019 (Stub Year) to enhance and expand its use.
32. Almost all distribution-level paper maps were ported to the new system and
33. work begun on migrating switching maps as well, though new challenges arose
34. from that work.
35.
36.
37.

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. We have continued to incrementally add capability in the interface between an
2. ESRI (new) GIS system with the (existing) [REDACTED] system - grafting two
3. distinct, somewhat incompatible GIS systems together in order to take
4. advantage of the strengths of each. We also successfully developed, tested and
5. deployed to public beta a customer outage notification system that now
6. interfaces not only with twitter, email, and web systems but also directly to
7. customers via SMS and text to speech voice calls.
8. Development is nearly complete on a rebuild of the [REDACTED] which
9. will enable us to reuse the vast majority of client-side code to redeploy to
10. IOS and Android in the future.
11. In addition, the development of a new robust digital map board application
12. allowed us to gradually replace paper mapping processes with more reliable,
13. efficient and robust digital processes.
14. VCI unfortunately had to abandon much of the work performed on the rebuild of
15. the GIS viewer, however the development effort was not wasted: much of the
16. inking and mapping code was ported to the new Digital Map Board (DMB)
17. application, which was launched successfully in the system control centre.
18. Because the DMB application requires close to 100% up-time, improvements have
19. been incrementally added to the communications module to address synching
20. issues, many of which were discovered during a 'disaster' recovery scenario in
21. the main office.
22.

Section C – Additional project information

Who prepared the responses for Section B?

253	1 ☒ Employee directly involved in the project	254	Name	
255	1 ☐ Other employee of the company	256	Name	
257	1 ☒ External consultant	258	Name	259 Firm
			Deloitte LLP	Deloitte LLP

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

260	Names	261	Qualifications/experience and position title
1			
2			
3			

265	Are you claiming any salary or wages for SR&ED performed outside Canada?	1 ☐ Yes	2 ☒ No
266	Are you claiming expenditures for SR&ED carried out on behalf of another party?	1 ☐ Yes	2 ☒ No
267	Are you claiming expenditures for SR&ED performed by people other than your employees?	1 ☐ Yes	2 ☒ No

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

268	Names of individuals or companies	269	BN
1			

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 ☒ Records of resources allocated to the project, time sheets	277	1 ☒ Test protocols, test data, analysis of test results, conclusions
272	1 ☐ 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 ☐ Contracts
275	1 ☐ Records of trial runs	281	1 ☒ Others, specify 282 emails

Part 2 – Project information (continued)Project number **3**

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)			
P3: System planning & analysis for improvements to the distr			
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	2020-12 Year Month	2.02.01	Electrical and electronic engineering
Project claim history			
208 1 ☒ 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 ☒ 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)
1.	VCI faces a number challenges with regards to its distribution network. These
2.	challenges include:
3.	(1) Its network's ability to accept the connection of new residential,
4.	commercial and industrial loads,
5.	(2) How to reinforce or augment the network based on existing loading, and
6.	deteriorating reliability issues, to create longer term plans for servicing
7.	future expected growth areas and reliability performance improvements,
8.	(3) Making proper load switching decisions for station outages due to
9.	maintenance given existing loading conditions, and
10.	(4) Its network's ability to accept FIT and micro-FIT sustainable generation
11.	connection applications approved by the IESO.
12.	At the core of resolving all these challenges is the need for an accurate
13.	picture/model of the network in its current state. Such models are invaluable
14.	to investigate and accurately assess the impact of accommodating any of the
15.	above proposed changes in network capability and capacity.
16.	Even with an existing set of models of the configuration carried over from
17.	prior years, a specific challenge is to meet the essential need to keep the
18.	models up-to-date so that they continue to reflect the status quo. Ideally,
19.	GIS downloads, either manually or automatically, facilitate model updating.
20.	VCI relies on manual updates. If updating is not done, the results of studies
21.	and simulation runs in terms of impacts of proposed changes is compromised.
22.	Even if up-to-date models are available for simulation studies to investigate
23.	capacity/capability issues, another important factor is that the network
24.	improvement proposals (that results from system planning and analysis
25.	activities) have to be both technically sound and cost effective. This
26.	challenge usually means that all the solution candidates identified as
27.	possibilities need to be investigated in detail before a preferred solution
28.	emerges from the modeling and simulation efforts that identified them in the
29.	first place.
30.	With older areas, when modeling and simulation is being used to identify
31.	options from improving reliability performance, the other factor that has to
32.	be incorporated in the analysis is that of refurbishment or replacement of the
33.	existing infrastructure.
34.	
35.	
36.	

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.
2. Work performed updates for SY2019 - Stub Year - Jan 2019 to Mar 2019:
3.
4. SY2019 (Stub Year):
5. As per the previous fiscal periods, the main focus of modeling and simulation
6. efforts continued on improving the configuration and performance of the
7. network in the Ajax area. The area model was first updated before simulations
8. were run. The Ajax area has the most complex network arrangements with
9. deteriorating infrastructure and reliability performance. Unjacketed, direct
10. buried cables with brittle neutrals are failing and these failures continued
11. to be the driver of efforts to consider adding another transformer station,
12. coupled with the possibility of using cable refurbishments with injections of
13. insulating fluid. All proposed configuration changes were reviewed with
14. Control Room personnel.
15.
16. The existing system models were used to investigate potential improvements in
17. the Belleville, Brockville and Clarington areas of VCI's service territory;
18. however no significant improvement opportunities were identified. Work was
19. spread across all districts to ensure the distribution network would continue
20. to operate well and not offer undue reliability risks. Loading was assessed
21. and potential projects were developed to improve areas with limitations to
22. growth and/or operational concerns such as inability to backup areas from
23. other surrounding supply points.
24.
25. We also continued work on developing new load forecasts (taking into account
26. the impact of embedded generation); long term planning for a new Transformer
27. Station south of the proposed airport land; as well as fault-level modeling.
28. Fault-level modeling is required when modeling and assessing the impact of
29. proposed units of distributed generation - that would be embedded inside the
30. VCI system. While mainly Solar PV proposals were involved, some wind and bio-
31. gas proposals were included in the portfolio to be reviewed. As referenced
32. already, particular attention was paid to the predicted response of these
33. proposed generators under fault conditions. Each application requires
34. thorough analysis of impacts to system reliability and the stability of the
35. supply voltage.
36.
37. Decisions are also involved about monitoring and control requirements when
38. large capacity DG units are being proposed. As there are some known
39. constraints that Hydro One has imposed on parts of the existing system, like
40. acceptable DG penetration rates per feeder, VCI needs to manage and deal with
41. them. While these requests are still being managed on a case-by-case basis, it
42. is anticipated there will be a future need to develop new protocols as the
43. distributed generators embedded in the VCI system become more common in the
44. future.
45.
46. Also, continuing from previous periods we performed further work with the
47. generator study, to predict their responses under fault conditions. We also
48. continued with our analysis for creating new applications of the generators.
49. Special attention was paid to develop the predicted response of these
50. generators under fault conditions; where each application required thorough
51. analysis of the impacts to system's reliability and the stability of the
52. supply voltage. Other activities completed in SY2019 include: Protection
53. settings and coordination studies; Developed and programmed for SCADA
54. monitoring and control; and P&C work on renewable generation alternatives with
55. Hydro One.
56.

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. They are, in general, a set of proposed improvements to the current
2. configuration and facilities of a distribution network - across an
3. unconsolidated service territory - that have been developed for each specific
4. area and district from the modeling and analysis studies undertaken with a
5. specialized simulation S/W tool. These proposed improvements are typically the
6. results of analyzing aspects such as:
7. 1. Feeder layout in an area to determine new transformer locations to maximize
8. operational flexibility and minimize losses
9. 2. Servicing requirements of a new proposed development to understand the best
10. connection plans to the network such as that for the proposed Seaton community
11. investigated last year through multiple analyses of voltage levels and fault
12. currents to estimate increased loading and supply options with existing and
13. possible new feeders
14. 3. Substation loading across VCI's service territories to assess its network's
15. operability with certain substations being off-line
16. 4. The network's ability to handle new/expanded commercial/industrial loads
17. 5. Evaluation and impact analysis of new distributed/embedded generators being
18. proposed to feed into the VCI network as a consequence of the Green Energy and
19. Green Economy Act (GEGEA) Feed-in-Tariff (FIT) and micro-FIT programs, and
20. 6. Examining how areas with older, aging infrastructure can be reconfigured or
21. reinforced using predictive modeling/forecasting to mitigate the impacts of
22. possible substation failures during peak load times on customer service and
23. system stability, to prepare contingency operational plans to prepare VCI's
24. response in the event of failures, and to reduce the incidence of outages.
25. With a set of models for all sections of its service territory - from the 44kV
26. through 4.16kV levels - of its existing configurations, VCI had the basis to
27. investigate potential changes to deal with, for example, the impact of load
28. changes, potential solutions to segments of the network with chronic problems,
29. in order to improve its distribution system performance from the perspectives
30. of reliability, balanced loading, level of losses and delivered power quality.

Section C – Additional project information

Who prepared the responses for Section B?

253	1 ☐ Employee directly involved in the project	254	Name	
255	1 ☐ Other employee of the company	256	Name	
257	1 ☒ External consultant	258	Name	259 Firm
			Deloitte LLP	Deloitte LLP

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

260	Names	261	Qualifications/experience and position title
1			
2			
3			

265	Are you claiming any salary or wages for SR&ED performed outside Canada?	1 ☐ Yes	2 ☒ No
266	Are you claiming expenditures for SR&ED carried out on behalf of another party?	1 ☐ Yes	2 ☒ No
267	Are you claiming expenditures for SR&ED performed by people other than your employees?	1 ☐ Yes	2 ☒ No

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

268	Names of individuals or companies	269	BN
1			

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 ☒ Records of resources allocated to the project, time sheets	277	1 ☒ Test protocols, test data, analysis of test results, conclusions
272	1 ☐ 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 ☐ Contracts
275	1 ☐ Records of trial runs	281	1 ☒ Others, specify
		282	Emails



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 [redacted]	
Corporation's name 002 Veridian Connections Inc.	
Address of head office Has this address changed since the last time we were notified? 010 Yes ☐ No ☒ If yes , complete lines 011 to 018. 011 55 Taunton Road East 012 [redacted] 015 City Ajax 016 Province, territory, or state ON 017 Country (other than Canada) 018 Postal or ZIP code L1T 3V3	
Mailing address (if different from head office address) Has this address changed since the last time we were notified? 020 Yes ☐ No ☒ If yes , complete lines 021 to 028. 021 c/o 022 100 Taunton Road East 023 [redacted] 025 City Whitby 026 Province, territory, or state ON 027 Country (other than Canada) 028 Postal or ZIP code L1N 5R8	
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 ☒ If yes , complete lines 031 to 038. 031 [redacted] 032 100 Taunton Road East 035 City Whitby 036 Province, territory, or state ON 037 Country (other than Canada) 038 Postal or ZIP code L1N 5R8	
040 Type of corporation at the end of the tax year (tick one) ☒ 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 [redacted] Year Month Day	
To which tax year does this return apply? Tax year start Year Month Day 060 2019-01-01 061 Tax year-end Year Month Day 2019-03-31 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 ☒ If yes , provide the date control was acquired 065 [redacted] Year Month Day Is the date on line 061 a deemed tax year-end according to subsection 249(3.1)? 066 Yes ☐ No ☒ Is the corporation a professional corporation that is a member of a partnership? 067 Yes ☐ No ☒ Is this the first year of filing after: Incorporation? 070 Yes ☐ No ☒ Amalgamation? 071 Yes ☐ No ☒ If yes , complete lines 030 to 038 and attach Schedule 24. Has there been a wind-up of a subsidiary under section 88 during the current tax year? 072 Yes ☐ No ☒ If yes , complete and attach Schedule 24. Is this the final tax year before amalgamation? 076 Yes ☒ No ☐ Is this the final return up to dissolution? 078 Yes ☐ No ☒ If an election was made under section 261, state the functional currency used 079 [redacted] Is the corporation a resident of Canada? 080 Yes ☒ No ☐ If no , give the country of residence on line 081 and complete and attach Schedule 97. 081 [redacted] Is the non-resident corporation claiming an exemption under an income tax treaty? 082 Yes ☐ No ☒ If yes , complete and attach Schedule 91. If the corporation is exempt from tax under section 149, tick one of the following boxes: 085 ☐ 1 Exempt under paragraph 149(1)(e) or (l) ☐ 2 Exempt under paragraph 149(1)(j) ☐ 3 Exempt under paragraph 149(1)(t) (for tax years starting before 2019) ☐ 4 Exempt under other paragraphs of section 149	
Do not use this area	
095	096
098	

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 ☒	9
Is the corporation an associated CCPC?	160 ☒	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 ☒	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 ☒	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 ☐	7
Does the corporation have any property that is eligible for capital cost allowance?	208 ☒	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 ☒	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over \$10,000,000?	234 ☒	
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?	☐	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?	☐	T1135
Did the corporation transfer or loan property to a non-resident trust?	☐	T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	☐	T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	☐	T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	☐	T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	☐	T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	☒	55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	☐	T2002
Has the corporation revoked any previous election made under subsection 89(11)?	☐	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?	☒	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?	☐	54

Additional information

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	Yes	☒	No	☐
Is the corporation inactive?	280	Yes	☐	No	☒
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	Electric Power Distribution in Canada		285	100.000 %
	286			287	%
	288			289	%
Did the corporation immigrate to Canada during the tax year?	291	Yes	☐	No	☒
Did the corporation emigrate from Canada during the tax year?	292	Yes	☐	No	☒
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 GIF	300	-354,963	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) (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	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	123,288 C

Notes:

- 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.
- 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	123,288	x	415 ***	462,381	D	=	5,067,203	E
				11,250				

Passive income business limit reduction

Adjusted aggregate investment income from Schedule 7****	417	—	50,000	=	F
Amount C	123,288	x	Amount F	=	G
	100,000				

Subtotal (the greater of amount E and amount G) **422** 5,067,203 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	x	17.5 % =	1
		90			
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	x	18 % =	2
		90			
Amount A, B, C, or L, whichever is the least	x	Number of days in the tax year after December 31, 2018	90 x	19 % =	3
		90			

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	P Income paid under clause 125(1)(a)(i)(B) to the corporation identified in column O ³	Q Business limit assigned to corporation identified in column O ⁴
	490	500	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						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")					K x 30 2 / 3 %	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)

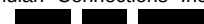
Refundable dividend tax on hand at the end of the previous tax year	460	
Dividend refund for the previous tax year	465	
Subtotal (line 460 minus line 465)		O
Refundable portion of Part I tax from line 450 above		P
Total Part IV tax payable from Schedule 3		Q
Net refundable dividend tax on hand transferred 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)		72,249,890	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")		72,249,890	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)		72,249,890	H
Amount H multiplied by 38 1 / 3 %		27,695,791	I
Eligible refundable dividend tax on hand (ERDTH) 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 (NERDTH) 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 ERDTH transferred on an amalgamation or the wind-up of a subsidiary	525		O
ERDTH 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 ERDTH (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 NERDTH transferred on an amalgamation or the wind-up of a subsidiary	540		V
NERDTH 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 NERDTH, net of losses claimed (amount U minus amount X) (if negative enter "0")			Y
NERDTH 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 ERDTH, 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
ERDTH 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
ERDTH 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)		440,833	DD
NERDTH 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")		440,833	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		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)		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** 4,233Tax instalments paid **840** 200,000

Labour tax credit for qualifying journalism organizations

Total credits **890** 204,233 B

Balance (amount A minus amount B) -204,233

Refund code **894** 1

Refund 204,233

Direct deposit request

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

☐ Start ☐ Change information **910** Branch number

914 Institution number **918** Account number

If the result is negative, you have 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.

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**Certification**

I, **950** Lombardi **951** Lucy **954** CFO,VP,Regulatory Affairs

Last name First name 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 2020-05-21
Date (yyyy/mm/dd)

Signature of the authorized signing officer of the corporation

956 (905) 427-9870
Telephone number

Is the contact person the same as the authorized signing officer? If **no**, complete the information below

957 Yes ☐ No ☒**958** Name of other authorized person**959** (905) 427-9870
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

Schedule of Instalment Remittances

Name of corporation contact Veridian Connections Inc.
Telephone number (905) 427-9870

Effective interest date	Description (instalment remittance, split payment, assessed credit)	Amount of credit
	PILS instalments	200,000
Total amount of instalments claimed (carry the result to line 840 of the T2 Return)		200,000 A
Total instalments credited to the taxation year per T9		200,000 B

Transfer

Account number	Taxation year end	Amount	Effective interest date	Description
From:				
To:				
From:				
To:				
From:				
To:				
From:				
To:				
From:				
To:				



Form identifier 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIF1

Corporation's name	Business number	Tax year end Year Month Day
Veridian Connections Inc.		2019-03-31

Balance sheet information

Account	Description	GIFI	Current year	Prior year
Assets				
	Total current assets	1599 +	56,505,700	61,624,504
	Total tangible capital assets	2008 +	335,582,096	327,286,498
	Total accumulated amortization of tangible capital assets	2009 –	53,737,136	50,734,836
	Total intangible capital assets	2178 +	22,560,468	22,252,793
	Total accumulated amortization of intangible capital assets	2179 –	9,921,630	9,548,650
	Total long-term assets	2589 +	7,236,489	7,239,740
	* Assets held in trust	2590 +		
	Total assets (mandatory field)	2599 =	<u>358,225,987</u>	<u>358,120,049</u>

Liabilities				
	Total current liabilities	3139 +	136,884,761	134,386,004
	Total long-term liabilities	3450 +	107,558,474	107,402,081
	* Subordinated debt	3460 +		
	* Amounts held in trust	3470 +		
	Total liabilities (mandatory field)	3499 =	<u>244,443,235</u>	<u>241,788,085</u>

Shareholder equity				
	Total shareholder equity (mandatory field)	3620 +	113,782,752	116,331,964

	Total liabilities and shareholder equity	3640 =	<u>358,225,987</u>	<u>358,120,049</u>

Retained earnings				
	Retained earnings/deficit – end (mandatory field)	3849 =	<u>44,773,849</u>	<u>47,060,244</u>

* Generic item



Form identifier 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Corporation's name	Business number	Tax year end Year Month Day
Veridian Connections Inc.		2019-03-31

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 +	87,490,143	336,609,770
Cost of sales	8518 -	73,682,308	281,301,519
Gross profit/loss	8519 =	13,807,835	55,308,251
Cost of sales	8518 +	73,682,308	281,301,519
Total operating expenses	9367 +	14,243,008	47,841,527
Total expenses (mandatory field)	9368 =	87,925,316	329,143,046
Total revenue (mandatory field)	8299 +	87,947,427	340,433,296
Total expenses (mandatory field)	9368 -	87,925,316	329,143,046
Net non-farming income	9369 =	22,111	11,290,250

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 =	22,111	11,290,250

Total other comprehensive income	9998 =	-262,817	262,817

Extraordinary items and income (linked to Schedule 140)

Extraordinary item(s)	9975 -		
Legal settlements	9976 -		
Unrealized gains/losses	9980 +	-1,540,621	470,746
Unusual items	9985 -		
Current income taxes	9990 -		880,036
Future (deferred) income tax provision	9995 -	-382,115	343,099
Total – Other comprehensive income	9998 +	-262,817	262,817
Net income/loss after taxes and extraordinary items (mandatory field)	9999 =	-1,399,212	10,800,678



Notes Checklist

Corporation's name Veridian Connections Inc.	Business number [REDACTED]	Tax Year End Year Month Day 2019-03-31

- 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	☒	No	☐
Is the accountant connected* with the corporation?	097	Yes	☐	No	☒

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 ☒
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	☒

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:

Prepared the tax return (financial statements prepared by client)	110	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	☒	No	☐
If yes , complete lines 104 to 107 below:					
Are subsequent events mentioned in the notes?	104	Yes	☒	No	☐
Is re-evaluation of asset information mentioned in the notes?	105	Yes	☐	No	☒
Is contingent liability information mentioned in the notes?	106	Yes	☒	No	☐
Is information regarding commitments mentioned in the notes?	107	Yes	☒	No	☐
Does the corporation have investments in joint venture(s) or partnership(s)?	108	Yes	☐	No	☒

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.

SCHEDULE 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIF

Form identifier 100

Name of corporation	Business Number	Tax year-end Year Month Day
Veridian Connections Inc.		2019-03-31

Assets – lines 1000 to 2599

1000	286,257	1060	23,960,834	1061	-720,000
1062	27,922,136	1120	3,222,206	1400	55,869
1483	375,920	1484	1,402,478	1599	56,505,700
1900	335,582,096	1901	-53,737,136	2008	335,582,096
2009	-53,737,136	2010	13,814,271	2011	-9,921,630
2012	8,746,197	2178	22,560,468	2179	-9,921,630
2420	7,236,489	2589	7,236,489	2599	358,225,987

Liabilities – lines 2600 to 3499

2620	47,470,360	2700	43,588,000	2770	2,139,501
2860	207,394	2920	36,585,110	2960	71,531
2961	6,822,865	3139	136,884,761	3140	65,994,075
3220	29,312,835	3240	873,965	3320	11,377,599
3450	107,558,474	3499	244,443,235		

Shareholder equity – lines 3500 to 3640

3500	69,302,002	3540	22,765	3580	-315,864
3600	44,773,849	3620	113,782,752	3640	358,225,987

Retained earnings – lines 3660 to 3849

3660	47,060,244	3680	-1,136,395	3700	-1,150,000
3849	44,773,849				

SCHEDULE 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIF

Form identifier 125

Name of corporation	Business Number	Tax year-end Year Month Day
Veridian Connections Inc.		2019-03-31

Description

Sequence number **0003** 01

Other comprehensive income – lines 7000 to 7020

7002 -262,817

Revenue – lines 8000 to 8299

8000 87,490,143	8089 87,490,143	8100 33,278
8210 1,360	8230 422,646	8299 87,947,427

Cost of sales – lines 8300 to 8519

8320 73,682,308	8518 73,682,308	8519 13,807,835

Operating expenses – lines 8520 to 9369

8522 118,248	8523 8,881	8670 3,040,378
8710 1,401,883	9270 9,673,618	9367 14,243,008
9368 87,925,316	9369 22,111	

Extraordinary items and taxes – lines 9970 to 9999

9970 22,111	9980 -1,540,621	9995 -382,115
9998 -262,817	9999 -1,399,212	

**Net Income (Loss) for Income Tax Purposes****Schedule 1**

Corporation's name Veridian Connections Inc.	Business number [REDACTED]	Tax year-end Year Month Day 2019-03-31

- 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 -1,399,212 A

Add:

Provision for income taxes – deferred	102	-382,115	
Amortization of tangible assets	104	3,040,378	
Charitable donations and gifts from Schedule 2	112	118,248	
Scientific research expenditures deducted per financial statements	118	81,218	
Non-deductible club dues and fees	120	3,696	
Non-deductible meals and entertainment expenses	121	4,441	
Reserves from financial statements – balance at the end of the year	126	3,819,287	
Subtotal of additions		6,685,153	6,685,153

Other additions:

Recapture of SR&ED expenditures from Form T661	231	24,140	
Taxable/non-deductible other comprehensive income items	239	262,817	

Miscellaneous other additions:

	1 Description 605	2 Amount 295		
1	OITC/ORDTC/BCRDTC/ABRDTC from prior year under 12(1)(x) ITA	15,896		
2	Vehicle amort. not included in amortization addback above	78,558		
3	other amort. not included above	7,825		
4	12(1)(X) CIAC	1,997,817		
5	Apprenticeship from 2018 sch552 part 4	6,192		
6	Co-op education credit 2018 from sch550 part4	12,000		
7	other non-current assets-rate app	17,192		
8	Apprenticeship from 2018 sch31 part 22	4,000		
9	Merger expenses-Eligible Capital Property	368,266		
10	Sick leave cost capitalized for acctg.	5,273		
11	unrealized loss on interest rate swaps	1,540,621		
	Total of column 2	4,053,640	296	4,053,640
	Subtotal of other additions	199	4,340,597	4,340,597
	Total additions	500	11,025,750	11,025,750 B

Amount A plus amount B 9,626,538 C

Deduct:

Gain on disposal of assets per financial statements	401	1,360	
Capital cost allowance from Schedule 8	403	4,004,438	
Reserves from financial statements – balance at the beginning of the year	414	3,565,588	
Subtotal of deductions		7,571,386	7,571,386

Other deductions:**Miscellaneous other deductions:**

T2 SCH 1 E (17)



Charitable Donations and Gifts

Corporation's name Veridian Connections Inc.	Business number [REDACTED]	Tax year-end Year Month Day 2019-03-31

- 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)
Charitable Donations	153,629
	Subtotal 153,629
Add: Total donations of less than \$100 each	
Total donations in current tax year	153,629

Part 1 – Charitable donations

	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	210 153,629	153,629	153,629
(include this amount on line 112 of Schedule 1 Net Income (Loss) for Income Tax Purposes)			
Subtotal (line 250 plus line 210)	153,629 B	153,629	153,629
Subtotal (line 240 plus amount B)	153,629 C	153,629	153,629
Adjustment for an acquisition of control	255		
Total charitable donations available (amount C minus line 255)	153,629 D	153,629	153,629
Amount applied in the current year against taxable income (cannot be more than amount L in Part 2)	260		
(enter this amount on line 311 of the T2 return)			
Charitable donations closing balance (amount D minus line 260)	280 153,629	153,629	153,629
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
1 st prior year	2018-12-31			
2 nd prior year	2017-12-31			
3 rd prior year	2016-12-31			
4 th prior year	2015-12-31			
5 th prior year	2014-12-31			
6 th prior year*	2013-12-31			
7 th prior year	2012-12-31			
8 th prior year	2011-12-31			
9 th prior year	2010-12-31			
10 th prior year	2009-12-31			
11 th prior year	2008-12-31			
12 th prior year	2007-12-31			
13 th prior year	2006-12-31			
14 th prior year	2005-12-31			
15 th prior year	2005-11-21			
16 th prior year	2005-08-08			
17 th prior year	2004-12-31			
18 th prior year	2003-12-31			
19 th prior year	2002-12-31			
20 th prior year	2001-12-31			
21 st prior year*	2000-12-31			
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* multiplied by 75 %		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)	K	
Maximum allowable deduction for charitable donations (enter amount D from Part 1, amount K, or net income for tax purposes, whichever is less)	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

	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 410			
(include this amount on line 112 of Schedule 1)			
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 460			
(enter this amount on line 313 of the T2 return)			
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
1 st prior year 2018-12-31			
2 nd prior year 2017-12-31			
3 rd prior year 2016-12-31			
4 th prior year 2015-12-31			
5 th prior year 2014-12-31			
6 th prior year* 2013-12-31			
7 th prior year 2012-12-31			
8 th prior year 2011-12-31			
9 th prior year 2010-12-31			
10 th prior year 2009-12-31			
11 th prior year 2008-12-31			
12 th prior year 2007-12-31			
13 th prior year 2006-12-31			
14 th prior year 2005-12-31			
15 th prior year 2005-11-21			
16 th prior year 2005-08-08			
17 th prior year 2004-12-31			
18 th prior year 2003-12-31			
19 th prior year 2002-12-31			
20 th prior year 2001-12-31			
21 st prior year* 2000-12-31			
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	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		Federal	Québec	Alberta
Year of origin:				
1 st prior year	2018-12-31			
2 nd prior year	2017-12-31			
3 rd prior year	2016-12-31			
4 th prior year	2015-12-31			
5 th prior year	2014-12-31			
6 th prior year*	2013-12-31			
7 th prior year	2012-12-31			
8 th prior year	2011-12-31			
9 th prior year	2010-12-31			
10 th prior year	2009-12-31			
11 th prior year*	2008-12-31			
12 th prior year	2007-12-31			
13 th prior year	2006-12-31			
14 th prior year	2005-12-31			
15 th prior year	2005-11-21			
16 th prior year	2005-08-08			
17 th prior year	2004-12-31			
18 th prior year	2003-12-31			
19 th prior year	2002-12-31			
20 th prior year	2001-12-31			
21 st prior year*	2000-12-31			
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	_____	_____	_____
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 $\left(\frac{b}{c}\right)$ = Additional deduction for gifts of medicine made before March 22, 2017	610 _____		
Québec			
a _____ x $\left(\frac{b}{c}\right)$ = Additional deduction for gifts of medicine made before March 22, 2017		_____	
Alberta			
a _____ x $\left(\frac{b}{c}\right)$ = 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)			
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
1 st prior year	2018-12-31			
2 nd prior year	2017-12-31			
3 rd prior year	2016-12-31			
4 th prior year	2015-12-31			
5 th prior year	2014-12-31			
6 th prior year*	2013-12-31			
7 th prior year	2012-12-31			
8 th prior year	2011-12-31			
9 th prior year	2010-12-31			
10 th prior year	2009-12-31			
11 th prior year	2008-12-31			
12 th prior year	2007-12-31			
13 th prior year	2006-12-31			
14 th prior year	2005-12-31			
15 th prior year	2005-11-21			
16 th prior year	2005-08-08			
17 th prior year	2004-12-31			
18 th prior year	2003-12-31			
19 th prior year	2002-12-31			
20 th prior year	2001-12-31			
21 st prior year*	2000-12-31			
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
1 st prior year	2018-12-31	
2 nd prior year	2017-12-31	
3 rd prior year	2016-12-31	
4 th prior year	2015-12-31	
5 th prior year	2014-12-31	
6 th prior year*	2013-12-31	
7 th prior year	2012-12-31	
8 th prior year	2011-12-31	
9 th prior year	2010-12-31	
10 th prior year	2009-12-31	
11 th prior year	2008-12-31	
12 th prior year	2007-12-31	
13 th prior year	2006-12-31	
14 th prior year	2005-12-31	
15 th prior year	2005-11-21	
16 th prior year	2005-08-08	
17 th prior year	2004-12-31	
18 th prior year	2003-12-31	
19 th prior year	2002-12-31	
20 th prior year	2001-12-31	
21 st prior year*	2000-12-31	
Total		

* These gifts expired in the current year.

**Dividends Received, Taxable Dividends Paid, and
Part IV Tax Calculation**

Corporation's name	Business number	Tax year-end Year Month Day
Veridian Connections Inc.		2019-03-31

- 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); or
 - 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.
- A recipient corporation is **connected** with a payer corporation at any time in a tax year, if at that time the recipient corporation:
 - controls the payer corporation, other than because of a right referred to in paragraph 251(5)(b); or
 - 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 received from a foreign source.
- Column F1 – Enter the code that applies to the deductible taxable dividend.

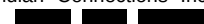
Part 1 – Dividends received in the tax year

- Do **not** include dividends received from foreign non-affiliates.
- Complete columns B, C, D, H and I **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 column J and K use the **special calculations provided in the notes**.

1	A Name of payer corporation (from which the corporation received the dividend)	A1	B Enter 1 if payer corporation is connected	C Business Number of connected corporation	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	E Non-taxable dividends under section 83
	200		205	210	220	230
			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) ^{note 1}	F1	G Eligible dividends included in column F	H Total taxable dividends paid by connected payer corporation (for tax year in column D)	I Dividend refund of the connected payer corporation (for tax year in column D) ^{note 2}	J Part IV tax for eligible dividends. Dividends (from column G) multiplied by 38 1/3% ^{note 3}	K Part IV tax before deductions. Dividends (from column F) multiplied by 38 1/3% ^{note 4}
	240		242	250	260	265	275
1							
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 J or column K whichever one applies. 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.							

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 (ERDTH) at the end of the tax year.

Part IV tax before deductions on taxable dividends received from connected corporations ^{note 5} (amount 1F 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)

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 (ERDTH) at the end of the tax year.

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 eligible 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)

5 To the extent of a dividend refund to the connected payer corporation from its eligible refundable dividend tax on hand (ERDTH). Otherwise, the amount 2E is nil.

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 connected recipient corporation, 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 connected recipient corporation	M Business Number	N Tax year-end of connected recipient corporation in which the dividends in column O were received YYYYMMDD	O Taxable dividends paid to connected corporations	P Eligible dividends included in column O
400	410	420	430	440
1 Veridian Corporation		2019-03-31	1,150,000	

1,150,000
(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	1,150,000
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	1,150,000

Complete this part to determine the following amounts in order to calculate the dividend refund.

Line 465 multiplied by 38 1 / 3 %		3A
(enter at amount AA on page 7 of the T2 return)		
Line 470 multiplied by 38 1 / 3 %	440,833	3B
(enter at amount DD on page 7 of the T2 return)		

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)		1,150,000
Other dividends paid in the tax year (total of 510 to 540)		
Total dividends paid in the tax year	500	1,150,000

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)		1,150,000 4B



Corporation Loss Continuity and Application

Corporation's name Veridian Connections Inc.	Business number [REDACTED]	Tax year-end Year Month Day 2019-03-31

- 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 -354,963 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") -354,963 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) -354,963 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") -354,963 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) 110 354,963 h
 Subtotal (amount g plus amount h) 354,963 I
 Subtotal (amount H plus amount I) 354,963 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	130	k
Enter amount k on line 331 of the T2 Return.		
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)	354,963	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	354,963 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)	354,963	354,963 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	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	2,500	b
	2,500	c
Subtotal (amount b plus amount c)	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, <i>Net Income (Loss) for Income Tax Purposes</i> .		
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
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

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
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	354,963		354,963	N/A		
1st preceding taxation year 2018-12-31		N/A		N/A			
2nd preceding taxation year 2017-12-31		N/A		N/A			
3rd preceding taxation year 2016-12-31		N/A		N/A			
4th preceding taxation year 2015-12-31		N/A		N/A			
5th preceding taxation year 2014-12-31		N/A		N/A			
6th preceding taxation year 2013-12-31		N/A		N/A			
7th preceding taxation year 2012-12-31		N/A		N/A			
8th preceding taxation year 2011-12-31		N/A		N/A			
9th preceding taxation year 2010-12-31		N/A		N/A			
10th preceding taxation year 2009-12-31		N/A		N/A			
11th preceding taxation year 2008-12-31		N/A		N/A			
12th preceding taxation year 2007-12-31		N/A		N/A			
13th preceding taxation year 2006-12-31		N/A		N/A			
14th preceding taxation year 2005-12-31		N/A		N/A			
15th preceding taxation year 2005-11-21		N/A		N/A			
16th preceding taxation year 2005-08-08		N/A		N/A			
17th preceding taxation year 2004-12-31		N/A		N/A			
18th preceding taxation year 2003-12-31		N/A		N/A			
19th preceding taxation year 2002-12-31		N/A		N/A			
20th preceding taxation year 2001-12-31		N/A		N/A			*
Total		354,963		354,963			

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

Canada Revenue
AgencyAgence du revenu
du Canada

Tax Calculation Supplementary – Corporations

Schedule 5

Corporation's name	Business Number	Tax year-end Year Month Day
Veridian Connections Inc.		2019-03-31

- 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 Yes ☐	103		143		
Newfoundland and Labrador Offshore Yes ☐	104		144		
Prince Edward Island Yes ☐	105		145		
Nova Scotia Yes ☐	107		147		
Nova Scotia Offshore Yes ☐	108		148		
New Brunswick Yes ☐	109		149		
Quebec Yes ☐	111		151		
Ontario Yes ☐	113		153		
Manitoba Yes ☐	115		155		
Saskatchewan Yes ☐	117		157		
Alberta Yes ☐	119		159		
British Columbia Yes ☐	121		161		
Yukon Yes ☐	123		163		
Northwest Territories Yes ☐	125		165		
Nunavut Yes ☐	126		166		
Outside Canada 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:

- 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.
- If the corporation has provincial or territorial tax payable, complete Part 2.
- 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 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 3,000			
Ontario apprenticeship training tax credit (from Schedule 552) 454 1,233			
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)			4,233 5J
Net Ontario tax payable or refundable tax credit (amount 5I minus amount 5J) 290			-4,233

(if a credit, enter amount in brackets) Include this amount on line 255.

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	<u><u>-4,233</u></u>

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.



Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
Veridian Connections Inc.		2019-03-31

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)?

101Yes ☐No ☒

1 Class number * See note 1	Description	2 Undepreciated capital cost (UCC) at the beginning of the year	3 Cost of acquisitions during the year (new property must be available for use) See note 2	4 Cost of acquisitions from column 3 that are accelerated investment incentive properties (AIIP) See note 3	5 Adjustments and transfers See note 4	6 Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition See note 5	7 Amount from column 5 that is repaid during the year for a property, subsequent to its disposition See note 6	8 Proceeds of dispositions See note 7	For tax years ending before November 21, 2018: 50% rule (1/2 of net acquisitions)
200		201	203	225	205	221	222	207	211
1. 1	Trans/dist before Feb 22/05	79,946,531						0	
2. 1b	Building - Office	9,498,785						0	
3. 8	Equipment	4,175,000						0	
4. 10	Vehicles	2,320,469						0	
5. 10.1	Vehicle #115 2012 Chevy Volt							N/A	
6. 10.1	Vehicle #116 2012 Chevy Volt							N/A	
7. 10.1	Vehicle #250 2009 Silverado Hybrid	1,163						N/A	
8. 10.1	Vehicle #284 2008 Ford Escape	804						N/A	
9. 10.1	Vehicle #285 2008 Ford Escape	802						N/A	
10. 10.1	Vehicle #302 2009 Ford Escape Hybrid	1,661						N/A	
11. 12	Software	218,270	6,276					0	
12. 13	Leaseholds	200,413						0	
13. 42	Fibre Optics	2,171						0	
14. 45	Computers >22-03-04 & <19-03-07	588						0	
15. 47	Trans/Distrib acquired after Feb 22, 2001	118,913,014						13,420	
16. 50	Hardware acquisitions	528,817						1,360	
17. 95	WIP no depreciation taken	17,371,974	3,626,398		-52,317			0	
18. 43.2	Clean energy generation	20,396						0	
19. 14.1	Eligible Capital Property	4,844,795	368,266	368,266				0	
20. 1b	Building - office>Nov20, 2018	102,940						0	
21. 8	Equipment>Nov 20, 2018	156,734	18,468	18,468				0	
22. 10	Vehicle>Nov 20, 2018	21,806	121,663	121,663				0	
23. 47	Trans/Dostr>Nov 20, 2018	1,254,506	2,429,247	2,429,247				0	

	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
24.	50	Hardware acquisitions>Nov 20, 2018	17,533						0	
Totals			239,599,172	6,570,318	2,937,644	-52,317			14,780	

	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	Trans/	79,946,531					4	0	0	788,514	79,158,017
2.	1b	Buildin	9,498,785					6	0	0	140,530	9,358,255
3.	8	Equipm	4,175,000					20	0	0	205,890	3,969,110
4.	10	Vehicle	2,320,469					30	0	0	171,651	2,148,818
5.	10.1	Vehicle						30	N/A	N/A		
6.	10.1	Vehicle						30	N/A	N/A		
7.	10.1	Vehicle	1,163					30	N/A	N/A	86	1,077
8.	10.1	Vehicle	804					30	N/A	N/A	59	745
9.	10.1	Vehicle	802					30	N/A	N/A	59	743
10.	10.1	Vehicle	1,661					30	N/A	N/A	123	1,538
11.	12	Softwa	224,546					100	0	0	55,368	169,178
12.	13	Leaseh	200,413					NA	0	0	12,279	188,134
13.	42	Fibre C	2,171					12	0	0	64	2,107
14.	45	Compu	588					45	0	0	65	523
15.	47	Trans/l	118,899,594					8	0	0	2,345,417	116,554,177
16.	50	Hardw	527,457					55	0	0	71,532	455,925
17.	95	WIP nc	20,946,055					0	0	0		20,946,055
18.	43.2	Clean €	20,396					50	0	0	2,515	17,881
19.	14.1	Eligible	5,213,061		368,266	184,133		5	0	0	85,552	5,127,509
20.	1b	Buildin	102,940					6	0	0	1,523	101,417
21.	8	Equipm	175,202		18,468	9,234		20	0	0	9,095	166,107

	1 Class number *	Des- crip- tion	9 UCC (column 2 plus column 3 plus or minus column 5 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	14 CCA rate % See note 11	15 Recapture of CCA See note 12	16 Terminal loss See note 13	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	18 UCC at the end of the year (column 9 minus column 17)
	200						224	212	213	215	217	220
22.	10	Vehicle	143,469		121,663	60,832		30	0	0	15,113	128,356
23.	47	Trans/I	3,683,753		2,429,247	1,214,624		8	0	0	96,625	3,587,128
24.	50	Hardw	17,533					55	0	0	2,378	15,155
	Totals		246,102,393		2,937,644	1,468,823					4,004,438	242,097,955

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).

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
Veridian Connections Inc.	[REDACTED]	2019-03-31

- 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.	Veridian Corporation		[REDACTED]	1					
2.	Veridian Energy Inc.		[REDACTED]	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	Employee Future Liability	2,699,205		233,357		2,932,562
2	Sick leave liability	866,383		20,342		886,725
3						
	Reserves from Part 2 of Schedule 13					
Totals		3,565,588		253,699		3,819,287

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.



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:

- Associated for purposes of allocating the business limit (unless association code 5 applies)
- 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
- Non-CCPC that is a **third corporation**
- Associated non-CCPC
- 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 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	2 Business number of associated corporations	3 Association code	4 Business limit for the year before the allocation \$	5 Percentage of the business limit %	6 Business limit allocated* \$
100	200	300		350	400
1 Veridian Connections Inc.	■■■■	1	500,000	100.0000	500,000
2 Veridian Corporation	■■■■	1	500,000		
3 Veridian Energy Inc.	■■■■	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 $0.225\% \times (D - \$10,000,000)$. 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.



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 to 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 Veridian Connections Inc.	Business number [REDACTED]	Tax year-end Year Month Day 2019-03-31

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:

- 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 ☒

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.

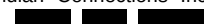
* Enter only contributions not already included on Form T661.

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

	<table border="1" style="border-collapse: collapse;"> <tr> <th style="padding: 2px;">Year</th> <th style="padding: 2px;">Month</th> <th style="padding: 2px;">Day</th> </tr> <tr><td style="height: 15px;"></td><td></td><td></td></tr> <tr><td style="height: 15px;"></td><td></td><td></td></tr> <tr><td style="height: 15px;"></td><td></td><td></td></tr> </table>	Year	Month	Day											901 902 903	
Year	Month	Day														
1st previous tax year		Credit to be applied														
2nd previous tax year		Credit to be applied														
3rd previous tax year		Credit to be applied														
Total of lines 901 to 903				H1												
Enter at amount a in Part 5.																

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)	269,818	
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)*	269,818	350 269,818
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)		380 269,818

* 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 ☒ 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	90	=	F2
		365	365		

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** 269,818

Amount from line 430 x Number of days in the tax year before 2014 x 20% = c

Amount from line 430** x Number of days in the tax year after 2013 90 x 15 % = 40,473 d

Subtotal (amount c **plus** amount d) 40,473 ► 40,473 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 x 20% = f

Amount from line 450** x Number of days in the tax year after 2013 90 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) 40,473 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					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		40,473		
Credit allocated from a partnership	550				
		Subtotal (total of lines 530 to 550)	40,473		O2
Total credit available (line 520 plus amount O2)			40,473		P2
Credit deducted from Part I tax	560				
Credit carried back to previous years (amount S2 in Part 13)			40,473	k	
Credit transferred to offset Part VII tax liability	580				
		Subtotal (total of line 560, amount k, and line 580)	40,473		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	2016-12-31			Credit to be applied	913	40,473
				Total of lines 911 to 913		40,473
				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 ☒

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	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)	Amount from column 700 or 710, whichever is less
700	710	
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	B	C	D	E	F
Rate that the transferee used in determining its ITC for qualified expenditures under a subsection 127(13) agreement	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	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.)	Amount determined by the formula $(A \times B) - C$	ITC earned by the transferee for the qualified expenditures that were transferred	Amount from column D or E, whichever is less
720	730	740		750	
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)	.....	F3
Enter at amount A8 in Part 29.		

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).

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.)

6111 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)	B Name of eligible trade	C Eligible salary and wages*	D Column C x 10 %	E Lesser of column D or \$ 2,000
601	602	603	604	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					G5
Enter at amount r in Part 22.					

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	Description of investment	Date available for use	Amount of investment
665	675	685	695
1.			
Total cost of depreciable property from the current tax year (total of column 695)			715

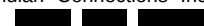
Specified child care start-up expenditures from the current tax year	705	
Total gross eligible expenditures for child care spaces (line 715 plus line 705)		A6
Total of all assistance (including grants, subsidies, rebates, and forgivable loans) or reimbursements that the corporation has received or is 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)	775	G6
ITC at the beginning of the tax year (amount F6 minus amount G6)		
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)	785	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

	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr> <th style="padding: 2px;">Year</th> <th style="padding: 2px;">Month</th> <th style="padding: 2px;">Day</th> </tr> <tr> <td style="text-align: center;">2018-12-31</td> <td></td> <td></td> </tr> <tr> <td style="text-align: center;">2017-12-31</td> <td></td> <td></td> </tr> <tr> <td style="text-align: center;">2016-12-31</td> <td></td> <td></td> </tr> </table>	Year	Month	Day	2018-12-31			2017-12-31			2016-12-31				Credit to be applied	941	
Year	Month	Day															
2018-12-31																	
2017-12-31																	
2016-12-31																	
1st previous tax year			Credit to be applied	942													
2nd previous tax year			Credit to be applied	943													
3rd previous tax year																	
Total of lines 941 to 943					K6												
Enter at amount s in Part 26.																	

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)
	40,473			40,473	
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					
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					
2005-11-21					
2005-08-08					
2004-12-31					
2003-12-31					
2002-12-31					
2001-12-31					*
	Total				
B+C+D+G				Total ITC utilized	40,473

* 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.

**Taxable Capital Employed in Canada – Large Corporations**

Corporation's name	Business number	Tax year-end Year Month Day
Veridian Connections Inc.		2019-03-31

- 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	
Capital stock (or members' contributions if incorporated without share capital)	103	69,302,002
Retained earnings	104	44,773,849
Contributed surplus	105	
Any other surpluses	106	22,765
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)		114,098,616
		114,098,616 A

Note:Line 112 is determined by the formula $(A - B) \times C/D$ (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
- those lines applied to partnerships in the same manner that they apply to corporations, and
 - those amounts were computed without reference to amounts owing by the partnership
 - to any corporation that held a membership interest in the partnership either directly or indirectly through another partnership, or
 - 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) 114,098,616 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** 114,098,616

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) 114,098,616 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** 114,098,616

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)	114,098,616	x	Taxable income earned in Canada	610		1,000	=	Taxable capital employed in Canada	690	114,098,616
			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.

SHAREHOLDER INFORMATION

Name of corporation	Business Number	Tax year end Year Month Day
Veridian Connections Inc.	[REDACTED]	2019-03-31

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

General Rate Income Pool (GRIP) Calculation

Corporation's name Veridian Connections Inc.	Business number 	Tax year-end Year Month Day 2019-03-31

On: 2019-03-31

- 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	72,249,890	A
Taxable income for the year (DICs enter "0") *	110		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		
After-tax income (line 150 multiplied by 0.72 (the general rate factor for the tax year))	190		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)		72,249,890	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	72,249,890	
Total GRIP adjustment for specified future tax consequences to previous tax years (amount N3 in Part 2)	560	255,573	
GRIP at the end of the tax year (line 490 minus line 560)	590	71,994,317	

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.

- 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	4,138,018	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) C1

Subtotal (amount B1 **plus** amount C1) ▶ D1

Subtotal (amount A1 **minus** amount D1) (if negative, enter "0") 4,138,018 ▶ 4,138,018 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 2017-12-31

Taxable income before specified future tax consequences from
the current tax year 3,695,045 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") 3,695,045 ▶ 3,695,045 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 2016-12-31

Taxable income before specified future tax consequences from
the current tax year 5,031,021 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") 5,031,021 ▶ 5,031,021 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
354,963					354,963

Taxable income after specified future tax consequences 4,676,058 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") 4,676,058 ▶ 4,676,058 J3

Subtotal (amount E3 **minus** amount J3) (if negative, enter "0") 354,963 K3

GRIP adjustment for specified future tax consequences to the third previous tax year

(amount K3 **multiplied by** 0.72) **540** 255,573

Total GRIP adjustment for specified future tax consequences to previous tax years:

(**add** lines 500, 520, and 540) (if negative, enter "0") 255,573 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 Postamalgamation . . . ☐ Postwind-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.



Part III.1 Tax on Excessive Eligible Dividend Designations

Corporation's name	Business number	Tax year-end Year Month Day
Veridian Connections Inc.		2019-03-31

- 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 completed 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 (GRIP), and low rate income pool (LRIP).
- 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.

Do not use this area

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	.....	1,150,000
Total taxable dividends paid in the tax year	.....	100 1,150,000
Total eligible dividends paid in the tax year	.....	150 A
GRIP at the end of the tax year (line 590 on Schedule 53) (if negative, enter "0")	.....	160 71,994,317 B
Excessive eligible dividend designation (line 150 minus line 160)	.....	C
Deduct:		
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *	.....	180 D
Subtotal (amount C minus amount D)		E
Part III.1 tax on excessive eligible dividend designations – CCPC or DIC (amount E multiplied by 20 %)	.....	190 F
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 from line A of Schedule 54)	.....	G
Deduct:		
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *	.....	280 H
Subtotal (amount G minus amount H)		I
Part III.1 tax on excessive eligible dividend designations – Other corporations (amount I multiplied by 20 %)	.....	290 J
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. For more information on how to make this election, go to www.cra.gc.ca/eligibledividends.



Ontario Research and Development Tax Credit

Corporation's name	Business number	Tax year-end Year Month Day
Veridian Connections Inc.		2019-03-31

- 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	279,604	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")		279,604	C
Eligible expenditures transferred to the corporation by another corporation	110		D
Subtotal (amount C plus amount D)		279,604	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	279,604	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 x 4.5 % = % 4

Number of days in the tax year

Number of days in the tax year after May 31, 2016 x 3.5 % = % 5

Number of days in the tax year

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) 279,604 x 3.5 % = **202** 9,786 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** 9,786 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 9,786 CC
(amount P, T or X in Part 3 whichever applies)

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) 9,786 ▶ 9,786 EE

ORDTC available for deduction (total of amounts AA, BB and EE) 9,786 ▶ 9,786 FF

ORDTC claimed ** GG
(Enter amount GG on line 416 on page 5 of Schedule 5, *Tax Calculation Supplementary – Corporations*)

ORDTC carried back to previous tax years (from Part 5) 9,786 HH

Subtotal (amount GG **plus** amount HH) 9,786 ▶ 9,786 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			
1 st previous tax year	2018-12-31			 Credit to be applied	901	
2 nd previous tax year	2017-12-31			 Credit to be applied	902	
3 rd previous tax year	2016-12-31			 Credit to be applied	903	9,786
Total (total of amount 901 to 903)(enter at amount HH in Part 4)						<u>9,786</u>

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)			Credit available	Tax year of origin (earliest tax year first)			Credit available
Year	Month	Day		Year	Month	Day	
2001	12	31		2009	12	31	
2002	12	31		2010	12	31	
2003	12	31		2011	12	31	
2004	12	31		2012	12	31	
2005	08	08		2013	12	31	
2005	11	21		2014	12	31	
2005	12	31		2015	12	31	
2006	12	31		2016	12	31	
2007	12	31		2017	12	31	
2008	12	31		2018	12	31	
				Current tax year	2019	03	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		LL	MM
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		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)	Amount from column 700 or 710, whichever is less
700		710	
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	PP	QQ
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	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	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)
720	730	740
1.		

RR	SS	TT
Amount determined by the formula (OO x PP) - QQ (using the columns above)	Federal ITC earned by the transferee for the qualified expenditure that was transferred	Amount from column RR or SS, whichever is less
	750	
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	<u>180,682</u>	
Add		
• payment of prior years' unpaid expenses (other than salary or wages)	+	
• prescribed proxy amount (Enter "0" if you use the traditional method)	+	
• expenditures on shared-use equipment		+
• other additions	+	+
Subtotal =	<u>279,604</u>	=
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	-	
• 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 =	<u>279,604</u> I	= II
Total eligible expenditures incurred by the corporation in Ontario in the tax year (add amount I and II)		= <u>279,604</u> III

Enter amount III on line 100 of Schedule 508.



Ontario Corporate Minimum Tax

Corporation's name	Business number	Tax year-end Year Month Day
Veridian Connections Inc.		2019-03-31

- 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	358,225,987
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	118,458,258
Total assets (total of lines 112 to 116)		476,684,245
Total revenue of the corporation for the tax year **	142	356,675,676
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	6,536,270
Total revenue (total of lines 142 to 146)		363,211,946

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	-1,399,212
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	
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	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	382,115
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	382	
383	384	
385	386	
387	388	
389	390	
	Subtotal	382,115 B
Adjusted net income/loss for CMT purposes (line 210 plus amount A minus amount B)	490	-1,781,327
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 <i>Ontario Regulation 37/09</i> , 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 <i>Bank Act</i> , 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 GIF1 (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**

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**

Amount from line 520	x	Number of days in the tax year before July 1, 2010	x	4 % =	1
		Number of days in the tax year	90		

Amount from line 520	x	Number of days in the tax year after June 30, 2010	90	x	2.7 % =	2
		Number of days in the tax year	90			

Subtotal (amount 1 **plus** amount 2) **3**

Gross CMT: amount on line 3 above x OAF ** **540**

Deduct:

Foreign tax credit for CMT purposes *** **550**

CMT after foreign tax credit deduction (line 540 **minus** line 550) (if negative, enter "0") **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 *	.....	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)	.....	
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 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)	 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:	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)	 4,233	
	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 1,781,327

CMT loss carryforward balance at the end of the tax year (amount S plus line 760) 770 1,781,327 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.

**ONTARIO CORPORATE MINIMUM TAX – TOTAL ASSETS
AND REVENUE FOR ASSOCIATED CORPORATIONS**

Name of corporation	Business Number	Tax year-end Year Month Day
Veridian Connections Inc.	██████████	2019-03-31

- 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	Business number (Canadian corporation only) (see Note 1)	Total assets* (see Note 2)	Total revenue** (see Note 2)
	200	300	400	500
1	Veridian Corporation	██████████	118,250,531	6,532,661
2	Veridian Energy Inc.	██████████	207,727	3,609
		450	550	
	Total		118,458,258	6,536,270

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.



ONTARIO CO-OPERATIVE EDUCATION TAX CREDIT

Name of corporation	Business Number	Tax year-end Year Month Day
Veridian Connections Inc.		2019-03-31

- 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
	(905) 427-9870
Is the claim filed for a CETC earned through a partnership?*	150 1 Yes ☐ 2 No ☒
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 ☒ 2 No ☐
2. Was the corporation exempt from tax under Part III of the <i>Taxation Act, 2007</i> (Ontario)?	210 1 Yes ☐ 2 No ☒
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** 24,177,167

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:

$$\text{Eligible percentage} = 15\% - \left[5\% \times \left(\frac{\text{amount on line 300} - \$400,000}{\$200,000} \right) \right]$$

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:

$$\text{Eligible percentage} = 30\% - \left[5\% \times \left(\frac{\text{amount on line 300} - \$400,000}{\$200,000} \right) \right]$$

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		B Name of qualifying co-operative education program	
400		405	
1. [REDACTED]		Powerline Technician	
C Name of student		D Start date of WP (see note 1 below)	E End date of WP (see note 2 below)
410		430	435
1. [REDACTED]			

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)		F2 Eligible expenditures after March 26, 2009 (see note 1 below)		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)
	450		452			
1.		10.000 %		25.000 %		11

	G Eligible amount (eligible expenditures multiplied by eligible percentage) (see note 2 below)	H Maximum CETC per WP (see note 3 below)	I CETC on eligible expenditures (column G or H, whichever is less)	J CETC on repayment of government assistance (see note 4 below)	K CETC for each WP (column I or column J)
	460	462	470	480	490
1.		3,000			
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:

$(\$1,000 \times X/Y) + [\$3,000 \times (Y - X)/Y]$

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.



Ontario Apprenticeship Training Tax Credit

Corporation's name	Business number	Tax year-end Year Month Day
Veridian Connections Inc.		2019-03-31

- Use this schedule to claim an Ontario apprenticeship training tax credit (ATTC) under section 89 of the *Taxation Act, 2007* (Ontario).
- The ATTC is a refundable tax credit that is equal to a specified percentage (25% to 45%) of the eligible expenditures incurred by a corporation for a qualifying apprenticeship. For eligible expenditures incurred after March 26, 2009 for an apprenticeship program that began before April 24, 2015, the maximum credit for each qualifying apprenticeship is \$10,000 per year to a maximum credit of \$40,000 over the first 48-month period of the qualifying apprenticeship. For an apprenticeship program that began after April 23, 2015, the maximum credit for each qualifying apprenticeship is \$5,000 per year to a maximum credit of \$15,000 over the first 36-month period of the qualifying apprenticeship.
- Eligible expenditures are salaries and wages (including taxable benefits) paid to an apprentice in a qualifying apprenticeship or fees paid to an employment agency for the provision of services performed by the apprentice in a qualifying apprenticeship. These expenditures must be:
 - paid on account of employment or services, as applicable, at a permanent establishment of the corporation in Ontario;
 - for services provided by the apprentice during the first 48 months of the apprenticeship program, if an apprenticeship program began before April 24, 2015; and
 - for services provided by the apprentice during the first 36 months of the apprenticeship program, if an apprenticeship program began after April 23, 2015.
- An expenditure is not eligible for an ATTC if:
 - the same expenditure was used, or will be used, to claim a co-operative education tax credit; or
 - it is more than an amount that would be paid to an arm's length apprentice.
- An apprenticeship must meet the following conditions to be a qualifying apprenticeship:
 - the apprenticeship is in a qualifying skilled trade approved by the Ministry of Training, Colleges and Universities (Ontario) or a person designated by him or her; and
 - the corporation and the apprentice must be participating in an apprenticeship program in which the training agreement has been registered under the *Ontario College of Trades and Apprenticeship Act, 2009*, or the *Apprenticeship and Certification Act, 1998*, or in which the contract of apprenticeship has been registered under the *Trades Qualification and Apprenticeship Act*.
- Do not submit the training agreement or contract of apprenticeship with your *T2 Corporation Income Tax Return*. Keep a copy of the training agreement or contract of apprenticeship to support your claim.
- File this schedule with your *T2 Corporation Income Tax Return*.

Part 1 – Corporate information

110 Name of person to contact for more information	120 Telephone number
	(905) 427-9870
Is the claim filed for an ATTC earned through a partnership? *	150 1 Yes ☐ 2 No ☒
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 ATTC 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 552 for the partnership as if the partnership were a corporation. Each corporate partner, other than a limited partner, should file a separate Schedule 552 to claim the partner's share of the partnership's ATTC. The total of the partners' allocated amounts can never exceed the amount of the partnership's ATTC.	

Part 2 – Eligibility

1. Did the corporation have a permanent establishment in Ontario in the tax year?	200 1 Yes ☒ 2 No ☐
2. Was the corporation exempt from tax under Part III of the <i>Taxation Act, 2007</i> (Ontario)?	210 1 Yes ☐ 2 No ☒
If you answered no to question 1 or yes to question 2, then you are not eligible for the ATTC.	

Part 3 – Specified percentageCorporation's salaries and wages paid in the previous tax year * **300** 24,177,167**For eligible expenditures incurred after March 26, 2009 for an apprenticeship program that began before April 24, 2015:**

- If line 300 is \$400,000 or less, enter 45% on line 312.
- If line 300 is \$600,000 or more, enter 35% 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:

$$\text{Specified percentage} = 45\% - \left[10\% \times \left(\frac{\text{amount on line 300} - 400,000}{200,000} \right) \right]$$

Specified percentage **312** 35.000 %**For eligible expenditures incurred for an apprenticeship program that began after April 23, 2015:**

- If line 300 is \$400,000 or less, enter 30% on line 314.
- If line 300 is \$600,000 or more, enter 25% on line 314.
- If line 300 is more than \$400,000 and less than \$600,000, enter the percentage on line 314 using the following formula:

$$\text{Specified percentage} = 30\% - \left[5\% \times \left(\frac{\text{amount on line 300} - 400,000}{200,000} \right) \right]$$

Specified percentage **314** 25.000 %

* If this is the first tax year of an amalgamated corporation and subsection 89(6) of the *Taxation Act, 2007* (Ontario) applies, enter salaries and wages paid in the previous tax year by the predecessor corporations.

Part 4 – Ontario apprenticeship training tax credit

Complete a **separate entry** for each apprentice for each qualifying apprenticeship with the corporation. When claiming an ATTC for repayment of government assistance, complete a **separate entry** for each repayment, and complete columns A to G and M and N with the details for the employment period in the previous tax year in which the government assistance was received.

A Trade code		B Apprenticeship program/trade name		C Name of apprentice	
400		405		410	
1.	434a	Powerline Technician			
D Original contract or training agreement number		E Original registration date of apprenticeship contract or training agreement (YYYYMMDD) (see note 1)		F Start date of employment as an apprentice in the tax year (YYYYMMDD) (see note 2)	G End date of employment as an apprentice in the tax year (YYYYMMDD) (see note 3)
420		425		430	435
1.	SYS6210	2016-04-13			

Note 1: Enter the original registration date of the apprenticeship contract or training agreement in all cases, even when multiple employers employed the apprentice.

Note 2: When there are multiple employment periods as an apprentice in the tax year with the corporation, enter the date that is the first day of employment as an apprentice in the tax year with the corporation. When claiming an ATTC for repayment of government assistance, enter the start date of employment as an apprentice for the tax year in which the government assistance was received.

Note 3: When there are multiple employment periods as an apprentice in the tax year with the corporation, enter the date that is the last day of employment as an apprentice in the tax year with the corporation. When claiming an ATTC for repayment of government assistance, enter the end date of employment as an apprentice for the tax year in which the government assistance was received.

Part 4 – Ontario apprenticeship training tax credit (continued)

H1 Number of days in the tax year employed as an apprentice in a qualifying apprenticeship program that began before April 24, 2015 (see note 1)	H2 Number of days in the tax year employed as an apprentice in a qualifying apprenticeship program that began after April 23, 2015 (see note 1)	I Maximum credit amount for the tax year (see note 2)
442	443	445
1.	90	1,233

Note 1: When there are multiple employment periods as an apprentice in the tax year with the corporation, do not include days in which the individual was not employed as an apprentice.

For H1: The days employed as an apprentice must be within 48 months of the registration date provided in column E.

For H2: The days employed as an apprentice must be within 36 months of the registration date provided in column E.

Note 2: Maximum credit = (\$10,000 × H1/365*) or (\$5,000 × H2/365*), whichever applies.

* 366 days, if the tax year includes February 29

J1 Eligible expenditures incurred after March 26, 2009 for a qualifying apprenticeship program that began before April 24, 2015 (see note 3)	J2 Eligible expenditures incurred for a qualifying apprenticeship program that began after April 23, 2015 (see note 3)	K Eligible expenditures multiplied by specified percentage (see note 4)
452	453	460
1.		

Note 3: Reduce eligible expenditures by all government assistance, as defined under subsection 89(19) of the *Taxation Act, 2007* (Ontario), that the corporation has received, is entitled to receive, or may reasonably expect to receive, in respect of the eligible expenditures, on or before the filing due date of the *T2 Corporation Income Tax Return* for the tax year.

For J1: Eligible expenditures must be for services provided by the apprentice to the taxpayer during the first 48 months of the apprenticeship program, and not relating to services performed before the apprenticeship program began or after it ended.

For J2: Eligible expenditures must be for services provided by the apprentice to the taxpayer during the first 36 months of the apprenticeship program, and not relating to services performed before the apprenticeship began or after it ended.

Note 4: Calculate the amount in column K as follows:

Column K = (J1 × line 312) or (J2 × line 314), whichever applies.

L ATTC on eligible expenditures (lesser of columns I and K)	M ATTC on repayment of government assistance (see note 5)	N ATTC for each apprentice (column L or M, whichever applies)
470	480	490
1.		

Ontario apprenticeship training tax credit (total of amounts in column N) **500** 1,233 **O**

Or, if the corporation answered **yes** at line 150 in Part 1, determine the partner's share of amount O:

Amount O _____ × percentage on line 170 in Part 1 _____ % = _____ **P**

Enter amount O or P, whichever applies, on line 454 of Schedule 5, *Tax Calculation Supplementary – Corporations*. If you are filing more than one Schedule 552, **add** the amounts from line O or P, whichever applies, on all the schedules, and enter the total amount on line 454 of Schedule 5.

Note 5: Include the amount of government assistance repaid in the tax year multiplied by the specified percentage for the tax year in which the government assistance was received, to the extent that the government assistance reduced the ATTC in that tax year. Complete a **separate entry** for each repayment of government assistance.

See the privacy notice on your return.

Corporate Taxpayer Summary

Corporate information

Corporation's name Veridian Connections Inc.																
Taxation Year 2019-01-01 to 2019-03-31																
Jurisdiction Ontario																
BC	AB	SK	MB	ON	QC	NB	NS	NO	PE	NL	XO	YT	NT	NU	OC	
☐	☐	☐	☐	☒	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Corporation is associated Y																
Corporation is related Y																
Number of associated corporations 2																
Type of corporation Canadian-Controlled Private Corporation																
Total amount due (refund) federal and provincial* -204,233																

* The amounts displayed on lines "Total amount due (refund) federal and provincial" are all listed in the help. Press F1 to consult the context-sensitive help.

Summary of federal information

Net income	-354,963
Taxable income	
Donations	153,629
Calculation of income from an active business carried on in Canada	
Dividends paid	1,150,000
Dividends paid – Regular	1,150,000
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	72,249,890
Balance of the general rate income pool at the end of the year	71,994,317
Part I tax (base amount)	
Credits against part I tax	Summary of tax
Small business deduction	Part I
M&P deduction	Part IV
Foreign tax credit	Part III.1
Investment tax credits	Other*
Abatement/Other*	Provincial or territorial tax
	Refunds/credits
	ITC refund
	Dividends refund:
	– Eligible dividends
	– Non-eligible dividends
	Instalments 200,000
	Other* 4,233
	Balance due/refund (–) -204,233

* 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

Carryback amounts	
Investment tax credits	40,473
Non-capital losses	354,963
Carryforward balances	
Charitable donations	153,629
Capital dividend amount	9,473
Financial statement reserve	3,819,287

Summary of provincial information – provincial income tax payable

	Ontario	Québec (CO-17)	Alberta (AT1)
Net income	-354,963		
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	4,233		
Balance due/Refund (-)	-4,233		

Logging tax payable (COZ-1179)

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 loss that can be carried forward over 20 years – Schedule 510	1,781,327

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
Veridian Connections Inc.	116,385,011	116,385,011	114,098,616	114,098,616
Veridian Corporation	98,911,332	98,911,332	98,929,747	98,929,747
Veridian Energy Inc.	206,276	206,276	206,504	206,504
Total	215,502,619	215,502,619	213,234,867	213,234,867

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)	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)
Veridian Connections Inc.	116,331,964
Veridian Corporation	
Veridian Energy Inc.	
Total	116,331,964

Other provinces

Corporate name	Capital used to calculate the Newfoundland and Labrador capital deduction on financial institutions (Schedule 306)
Total	

Five-Year Comparative Summary

	Current year	1st prior year	2nd prior year	3rd prior year	4th prior year
Federal information (T2)					
Taxation year end	2019-03-31	2018-12-31	2017-12-31	2016-12-31	2015-12-31
Net income	-354,963	4,364,473	3,903,664	5,264,526	5,900,167
Taxable income		4,138,018	3,695,045	5,031,021	5,732,325
Active business income		4,364,473	3,903,664	5,264,526	5,900,167
Dividends paid	1,150,000	4,600,000	5,007,000	4,649,000	5,350,000
Dividends paid – Regular	1,150,000	4,600,000	5,007,000	4,649,000	5,350,000
Dividends paid – Eligible					
LRIP – end of the previous year					
LRIP – end of the year					
GRIP – end of the previous year	72,249,890	69,270,517	66,610,085	62,987,750	58,860,476
GRIP – end of the year	71,994,317	72,249,890	69,270,517	66,610,085	62,987,750
Donations	153,629	226,455	208,619	233,505	167,842
Balance due/refund (-)	-204,233	-459,611	-202,723	-221,199	-220,588
Line 996 – Amended tax return	☐	☐	☐	☐	☐
Loss carrybacks requested in prior years to reduce taxable income					
Taxation year end	2019-03-31	2018-12-31	2017-12-31	2016-12-31	2015-12-31
Taxable income before loss carrybacks	N/A	N/A	3,695,045	5,031,021	5,732,325
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 loss carried back to prior years	N/A	N/A			
Adjusted taxable income after loss carrybacks	N/A	N/A	3,695,045	5,031,021	5,732,325
Losses in the current year carried back to previous years to reduce taxable income (according to Schedule 4)					
Taxation year end	2019-03-31	2018-12-31	2017-12-31	2016-12-31	2015-12-31
Adjusted taxable income before current year loss carrybacks*	N/A	4,138,018	3,695,045	5,031,021	N/A
Non-capital losses	N/A			354,963	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			354,963	N/A
Adjusted taxable income after loss carrybacks	N/A	4,138,018	3,695,045	4,676,058	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	2019-03-31	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	2019-03-31	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	2019-03-31	2018-12-31	2017-12-31	2016-12-31	2015-12-31
Part I		418,205	389,272	595,407	729,890
Part IV					
Part III.1					
Other*					

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.

Credits against part I tax

Taxation year end	2019-03-31	2018-12-31	2017-12-31	2016-12-31	2015-12-31
Small business deduction					
M&P deduction					
Foreign tax credit					
Investment tax credit		202,498	164,984	159,246	129,959
Abatement/other*		951,744	849,861	1,157,135	1,318,435

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.

Refunds/credits

Taxation year end	2019-03-31	2018-12-31	2017-12-31	2016-12-31	2015-12-31
ITC refund					
Dividend refund					
– Eligible dividends					
– Non-eligible dividends					
Instalments	200,000	1,287,500	950,000	1,325,000	1,550,000
Other*	4,233				

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.

Ontario

Taxation year end	2019-03-31	2018-12-31	2017-12-31	2016-12-31	2015-12-31
Net income	-354,963	4,364,473	3,903,664	5,264,526	5,900,167
Taxable income		4,138,018	3,695,045	5,031,021	5,732,325
% Allocation	100.00	100.00	100.00	100.00	100.00
Attributed taxable income		4,138,018	3,695,045	5,031,021	5,732,325
Surtax					
Income tax payable before deduction		475,872	424,930	578,567	659,217
Income tax deductions /credits		47,996	38,925	42,173	40,079
Net income tax payable		427,876	386,005	536,394	619,138
Taxable capital					
Capital tax payable					
Total tax payable*		427,876	386,005	536,394	619,138
Instalments and refundable credits	4,233	18,192	28,000	28,000	19,616
Balance due/refund**	-4,233	409,684	358,005	508,394	599,522

* 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.

Attached Notes – Summary

☐	Name of the cell	<u>Adjustments and transfers</u>	Form	<u>Sch. 8 - Capital cost allowance (CCA)</u>
relates to SR&ED expenditure for class 12 additions in WIP. Need to reduce additions in class 12 next year				
asharma - 2019-09-18			Keep this note when rolling forward the file ☐	

**Information Return for Corporations Filing Electronically**

- You have to complete this return for every initial and amended T2 Corporation Income Tax Return electronically filed to the Canada Revenue Agency (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 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 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.
- **Do not submit** this form to the CRA unless we ask for it.
- We are responsible for ensuring the confidentiality of your electronically filed tax information only after we have accepted it.

Part 1 – Identification

Corporation's name Whitby Hydro Electric Corporation			Business number ██████	
Tax year ▶	From Y M D 2019-01-01	To Y M D 2019-03-31	Is this an amended return? ☐ Yes ☒ No	

Part 2 – Declaration

Enter the following amounts, if applicable, from your corporation income tax return for the tax year noted above:

Net income (or loss) for income tax purposes from Schedule 1, financial statements, or GIF1 (line 300)	-280,115
Part I tax payable (line 700)	
Part II surtax payable (line 708)	
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**Sign up for online mail!**Get your CRA mail electronically delivered in
My Business Account at cra.gc.ca/mybusinessaccount

I understand that by providing an email address, I am **registering** the corporation for the 'Manage online mail' service. 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.

Email address for online mail (optional): _____

I, LOMBARDI Last name LUCY First name CFO, VP, REGULATORY AFFAIRS Position, office, or rank

am an authorized signing officer of the corporation. I certify that I have examined the corporation T2 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 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.

2019-09-23

Date (yyyy/mm/dd)

Signature of an authorized signing officer of the corporation

(905) 668-5878

Telephone number

Part 4 – Transmitter identification

The following transmitter has electronically filed the tax return of the corporation identified in Part 1.

KPMG LLP Name of person or firm A6698 Electronic filer number

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 cra.gc.ca/gncy/tp/nfsrc/nfsrc-eng.html, personal information bank CRA PPU 047.



T2 Corporation Income Tax Return

200

EXEMPT FROM TAX

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

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		055 Do not use this area	
Corporation's name 002 Whitby Hydro Electric Corporation		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 2019-03-31	
Address of head office Has this address changed since the last time we were notified? 010 Yes ☐ No ☒ If yes, complete lines 011 to 018. 011 100 Taunton Road East 012 PO Box 59 City Province, territory, or state 015 Whitby 016 ON Country (other than Canada) Postal or ZIP code 017 L1N 5R8 018		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 ☒ If yes, provide the date control was acquired 065 Year Month Day	
Mailing address (if different from head office address) Has this address changed since the last time we were notified? 020 Yes ☐ No ☒ If yes, complete lines 021 to 028. 021 c/o 022 023 City Province, territory, or state 025 026 Country (other than Canada) Postal or ZIP code 027 028		Is the date on line 061 a deemed tax year-end according to subsection 249(3.1)? 066 Yes ☐ No ☒ Is the corporation a professional corporation that is a member of a partnership? 067 Yes ☐ No ☒ Is this the first year of filing after: Incorporation? 070 Yes ☐ No ☒ Amalgamation? 071 Yes ☐ No ☒ If yes, complete lines 030 to 038 and attach Schedule 24.	
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 ☒ If yes, complete lines 031 to 038. 031 032 City Province, territory, or state 035 036 Country (other than Canada) Postal or ZIP code 037 038		Has there been a wind-up of a subsidiary under section 88 during the current tax year? 072 Yes ☐ No ☒ If yes, complete and attach Schedule 24. Is this the final tax year before amalgamation? 076 Yes ☒ No ☐ Is this the final return up to dissolution? 078 Yes ☐ No ☒ If an election was made under section 261, state the functional currency used 079	
040 Type of corporation at the end of the tax year (tick one) ☒ 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		Is the corporation a resident of Canada? 080 Yes ☒ No ☐ If no, give the country of residence on line 081 and complete and attach Schedule 97. 081 Is the non-resident corporation claiming an exemption under an income tax treaty? 082 Yes ☐ No ☒ If yes, complete and attach Schedule 91. 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?	☒	9
Is the corporation an associated CCPC?	☒	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	☐	49
Does the corporation have any non-resident shareholders who own voting shares?	☐	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	☐	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?	☐	44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	☐	14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	☐	15
Is the corporation claiming a loss or deduction from a tax shelter?	☐	T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	☐	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)?	☐	22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	☐	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?	☐	29
Did the corporation have a total amount over CAN\$1 million of reportable transactions with non-arm's length non-residents?	☐	T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	☒	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	☐	
Does the corporation earn income from one or more Internet web pages or websites?	☐	88
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	☒	1
Has the corporation made any charitable donations; gifts of cultural or ecological property; or gifts of medicine?	☒	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	☒	3
Is the corporation claiming any type of losses?	☒	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	☐	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	☐	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)?	☐	7
Does the corporation have any property that is eligible for capital cost allowance?	☒	8
Does the corporation have any resource-related deductions?	☐	12
Is the corporation claiming deductible reserves?	☐	13
Is the corporation claiming a patronage dividend deduction?	☐	16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or a provincial credit union tax reduction?	☐	17
Is the corporation an investment corporation or a mutual fund corporation?	☐	18
Is the corporation carrying on business in Canada as a non-resident corporation?	☐	20
Is the corporation claiming any federal, provincial, or territorial foreign tax credits, or any federal logging tax credits?	☐	21
Does the corporation have any Canadian manufacturing and processing profits?	☐	27
Is the corporation claiming an investment tax credit?	☐	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	☐	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over \$10,000,000?	☒	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over \$10,000,000?	☒	
Is the corporation subject to gross Part VI tax on capital of financial institutions?	☐	38
Is the corporation claiming a Part I tax credit?	☐	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?	☐	43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	☐	45
Is the corporation subject to Part II – Tobacco Manufacturers' surtax?	☐	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?	☐	39
Is the corporation claiming a Canadian film or video production tax credit?	☐	T1131
Is the corporation claiming a film or video production services tax credit?	☐	T1177
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	☐	92

Attachments (continued)

	Yes	Schedule
Did the corporation have any foreign affiliates in the tax year?	☐	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?	☐	T1135
Did the corporation transfer or loan property to a non-resident trust?	☐	T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	☐	T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	☐	T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	☐	T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	☐	T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	☒	55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	☐	T2002
Has the corporation revoked any previous election made under subsection 89(11)?	☐	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?	☒	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?	☐	54

Additional information

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	Yes ☒	No ☐
Is the corporation inactive?	Yes ☐	No ☒
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 Distribution	285 100.000 %
	286	287 %
	288	289 %
Did the corporation immigrate to Canada during the tax year?	Yes ☐	No ☒
Did the corporation emigrate from Canada during the tax year?	Yes ☐	No ☒
Do you want to be considered as a quarterly instalment remitter if you are eligible?	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 GIF	300	-280,115	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) (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	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:

- 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.
- 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 ***	195,235	D	=		E
			11,250				

Passive income business limit reduction

Adjusted aggregate investment income from Schedule 7****	417	-	50,000	=		F

Amount C	x	Amount F	=		G
	100,000				

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	x	17.5 % =	1
		90			

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	x	18 % =	2
		90			

Amount A, B, C, or L, whichever is the least	x	Number of days in the tax year after December 31, 2018	x	19 % =	3
		90			

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	P Income paid under clause 125(1)(a)(i)(B) to the corporation identified in column O ³	Q Business limit assigned to corporation identified in column O ⁴
	490	500	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** $\times 30 \frac{2}{3} \% =$ A

Foreign non-business income tax credit from line 632 on page 8 B

Foreign investment income from Schedule 7 **445** $\times 8 \% =$ 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 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 $\times 75 / 29 =$ H

Foreign business income tax credit from line 636 on page 8 $\times 4 =$ I

Subtotal (**add** amounts G to I) **J**

Subtotal (amount F **minus** amount J) (if negative, enter "0") $K \times 30 \frac{2}{3} \% =$ 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 $\times 38 \frac{1}{3} \% =$ 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)		38,254,258	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")		38,254,258	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)		38,254,258	H
Amount H multiplied by 38 1 / 3 %		14,664,132	I
Eligible refundable dividend tax on hand (ERDTH) 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 (NERDTH) 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 ERDTH transferred on an amalgamation or the wind-up of a subsidiary	525		O
ERDTH 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 ERDTH (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 NERDTH transferred on an amalgamation or the wind-up of a subsidiary	540		V
NERDTH 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 NERDTH, net of losses claimed (amount U minus amount X) (if negative enter "0")			Y
NERDTH at the end of the tax year* (total of amounts K, Q, V, and Y minus amount W) (if negative, enter "0")	545		Z
Part IV tax payable allocated to ERDTH, 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")			
ERDTH at the end of the tax year* (total of amounts J, Q, 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
ERDTH 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)		434,700	DD
NERDTH 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")		434,700	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 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) 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

Refund code **894**

Refund

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

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 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.

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** A6698

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

Certification

I, **950** LOMBARDI **951** LUCY **954** CFO, VP, REGULATORY AFFAIRS
Last name First name 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 2019-09-23 **956** (905) 668-5878
Date (yyyy/mm/dd) Signature of the authorized signing officer of the corporation Telephone number

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

958 Name of other authorized person **959** Telephone number

Language of correspondence – Langue de correspondance

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

990 1



Form identifier 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIF1

Corporation's name	Business number	Tax year end Year Month Day
Whitby Hydro Electric Corporation		2019-03-31

Balance sheet information

Account	Description	GIFI	Current year	Prior year
Assets				
	Total current assets	1599 +	21,145,000	22,856,000
	Total tangible capital assets	2008 +	127,618,000	122,921,000
	Total accumulated amortization of tangible capital assets	2009 –	21,229,000	20,079,000
	Total intangible capital assets	2178 +	1,443,000	1,434,000
	Total accumulated amortization of intangible capital assets	2179 –	1,114,000	1,079,000
	Total long-term assets	2589 +	3,637,000	3,821,000
	* Assets held in trust	2590 +		
	Total assets (mandatory field)	2599 =	131,500,000	129,874,000
Liabilities				
	Total current liabilities	3139 +	31,633,000	27,448,000
	Total long-term liabilities	3450 +	47,796,248	49,415,917
	* Subordinated debt	3460 +		
	* Amounts held in trust	3470 +		
	Total liabilities (mandatory field)	3499 =	79,429,248	76,863,917
Shareholder equity				
	Total shareholder equity (mandatory field)	3620 +	52,070,752	53,010,083
	Total liabilities and shareholder equity	3640 =	131,500,000	129,874,000
Retained earnings				
	Retained earnings/deficit – end (mandatory field)	3849 =	22,576,710	23,516,041

* Generic item

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



Form identifier 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIF

Corporation's name	Business number	Tax year end Year Month Day
Whitby Hydro Electric Corporation		2019-03-31

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 +	29,494,000	123,422,000
Cost of sales	8518 -	23,319,000	97,501,000
Gross profit/loss	8519 =	6,175,000	25,921,000
Cost of sales	8518 +	23,319,000	97,501,000
Total operating expenses	9367 +	6,031,667	19,131,954
Total expenses (mandatory field)	9368 =	29,350,667	116,632,954
Total revenue (mandatory field)	8299 +	29,484,184	123,205,367
Total expenses (mandatory field)	9368 -	29,350,667	116,632,954
Net non-farming income	9369 =	133,517	6,572,413

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 =	133,517	6,572,413

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 -	-62,000	-31,000
Current income taxes	9990 -	-55,266	1,035,000
Future (deferred) income tax provision	9995 -	56,114	489,388
Total – Other comprehensive income	9998 +		
Net income/loss after taxes and extraordinary items (mandatory field)	9999 =	194,669	5,079,025

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



Notes Checklist

Corporation's name Whitby Hydro Electric Corporation	Business number [REDACTED]	Tax Year End Year Month Day 2019-03-31

- 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 ☒ No ☐

Is the accountant connected* with the corporation? **097** Yes ☐ No ☒

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	☒
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 ☒

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 ☒ No ☐

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

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

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.

T2 BAR CODE RETURN

Name: **Whitby Hydro Electric Corporation**

BN: **[REDACTED]**

Tax Year Start: **2019-01-01**

Tax Year End: **2019-03-31**

CLIENT COPY

**Net Income (Loss) for Income Tax Purposes****Schedule 1**

Corporation's name Whitby Hydro Electric Corporation	Business number ■■■■■■■■■■	Tax year-end Year Month Day 2019-03-31

- 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 **194,669** A

Add:

Provision for income taxes – current	101	-55,266	
Provision for income taxes – deferred	102	56,114	
Amortization of tangible assets	104	1,168,208	
Amortization of intangible assets	106	35,016	
Loss on disposal of assets	111	9,816	
Charitable donations and gifts from Schedule 2	112	16,000	
Non-deductible meals and entertainment expenses	121	846	
Subtotal of additions		1,230,734	1,230,734

Other additions:

Non-deductible legal and accounting fees	228	218,802	

Miscellaneous other additions:

1 Description 605	2 Amount 295		
1 Addback Re: 12(1)(x)	824,747		
2 Movement in stranded meters	97,818		
3 Interest on leased assets	20,301		
4 Lease amortization	94,366		
Total of column 2	1,037,232	296	1,037,232
Subtotal of other additions		199	1,256,034
Total additions		500	2,486,768

Amount A plus amount B **2,681,437** C

Deduct:

Capital cost allowance from Schedule 8	403	1,423,003	
Subtotal of deductions		1,423,003	1,423,003

Other deductions:**Miscellaneous other deductions:**

1 Description 705	2 Amount 395		
1 Amortization of deferred capital contributions	275,431		
2 Tax included in net movement in regulatory balances	56,114		
3 Election under S13(7.4)	824,747		
4 Capitalized overhead deducted for tax	150,936		
5 Net OM&A Deduction - Regulatory Assets	117,035		
6 Lease payments on leased assets	114,286		
Total of column 2	1,538,549	396	1,538,549

Subtotal of other deductions	499	1,538,549	▶	1,538,549	
Total deductions	510	2,961,552	▶	2,961,552	D
Net income (loss) for income tax purposes (amount C minus amount D)				-280,115	E

Enter amount E on line 300 of the T2 return.

T2 SCH 1 E (17)

Canada

CLIENT COPY



Charitable Donations and Gifts

Corporation's name	Business number	Tax year-end Year Month Day
Whitby Hydro Electric Corporation		2019-03-31

- 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)
Ability Centre Gala	10,000
Foundation Gala	5,000
Brooklin Spring Fair	1,000
	Subtotal 16,000
Add: Total donations of less than \$100 each	
Total donations in current tax year	
	16,000

Part 1 – Charitable donations

	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 210	16,000	16,000	16,000
(include this amount on line 112 of Schedule 1 Net Income (Loss) for Income Tax Purposes)			
Subtotal (line 250 plus line 210)	16,000 B	16,000	16,000
Subtotal (line 240 plus amount B)	16,000 C	16,000	16,000
Adjustment for an acquisition of control 255			
Total charitable donations available (amount C minus line 255)	16,000 D	16,000	16,000
Amount applied in the current year against taxable income (cannot be more than amount L in Part 2) 260			
(enter this amount on line 311 of the T2 return)			
Charitable donations closing balance (amount D minus line 260) 280	16,000	16,000	16,000
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
1 st prior year	2018-12-31			
2 nd prior year	2017-12-31			
3 rd prior year	2016-12-31			
4 th prior year	2015-12-31			
5 th prior year	2014-12-31			
6 th prior year*	2013-12-31			
7 th prior year	2012-12-31			
8 th prior year	2011-12-31			
9 th prior year	2010-12-31			
10 th prior year	2009-12-31			
11 th prior year	2008-12-31			
12 th prior year	2007-12-31			
13 th prior year	2006-12-31			
14 th prior year	2005-12-31			
15 th prior year	2004-12-31			
16 th prior year	2003-12-31			
17 th prior year	2002-12-31			
18 th prior year	2001-12-31			
19 th prior year	2000-12-31			
20 th prior year				
21 st 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 %		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)		K
Maximum allowable deduction for charitable donations (enter amount D from Part 1, amount K, or net income for tax purposes, whichever is less)		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

	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 410			
(include this amount on line 112 of Schedule 1)			
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 460			
(enter this amount on line 313 of the T2 return)			
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
1 st prior year 2018-12-31			
2 nd prior year 2017-12-31			
3 rd prior year 2016-12-31			
4 th prior year 2015-12-31			
5 th prior year 2014-12-31			
6 th prior year* 2013-12-31			
7 th prior year 2012-12-31			
8 th prior year 2011-12-31			
9 th prior year 2010-12-31			
10 th prior year 2009-12-31			
11 th prior year 2008-12-31			
12 th prior year 2007-12-31			
13 th prior year 2006-12-31			
14 th prior year 2005-12-31			
15 th prior year 2004-12-31			
16 th prior year 2003-12-31			
17 th prior year 2002-12-31			
18 th prior year 2001-12-31			
19 th prior year 2000-12-31			
20 th prior year			
21 st 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		Federal	Québec	Alberta
Year of origin:				
1 st prior year	2018-12-31			
2 nd prior year	2017-12-31			
3 rd prior year	2016-12-31			
4 th prior year	2015-12-31			
5 th prior year	2014-12-31			
6 th prior year*	2013-12-31			
7 th prior year	2012-12-31			
8 th prior year	2011-12-31			
9 th prior year	2010-12-31			
10 th prior year	2009-12-31			
11 th prior year*	2008-12-31			
12 th prior year	2007-12-31			
13 th prior year	2006-12-31			
14 th prior year	2005-12-31			
15 th prior year	2004-12-31			
16 th prior year	2003-12-31			
17 th prior year	2002-12-31			
18 th prior year	2001-12-31			
19 th prior year	2000-12-31			
20 th prior year				
21 st 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 _____	_____	_____

Additional deduction for gifts of medicine made before March 22, 2017

Federal

a _____ x $\left(\frac{b}{c} \right)$ = 2017 **610** _____

Additional deduction for gifts of medicine made before March 22, 2017

Québec

a _____ x $\left(\frac{b}{c} \right)$ = 2017 _____

Additional deduction for gifts of medicine made before March 22, 2017

Alberta

a _____ x $\left(\frac{b}{c} \right)$ = 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)

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
1 st prior year	2018-12-31			
2 nd prior year	2017-12-31			
3 rd prior year	2016-12-31			
4 th prior year	2015-12-31			
5 th prior year	2014-12-31			
6 th prior year*	2013-12-31			
7 th prior year	2012-12-31			
8 th prior year	2011-12-31			
9 th prior year	2010-12-31			
10 th prior year	2009-12-31			
11 th prior year	2008-12-31			
12 th prior year	2007-12-31			
13 th prior year	2006-12-31			
14 th prior year	2005-12-31			
15 th prior year	2004-12-31			
16 th prior year	2003-12-31			
17 th prior year	2002-12-31			
18 th prior year	2001-12-31			
19 th prior year	2000-12-31			
20 th prior year				
21 st 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
1 st prior year	2018-12-31	
2 nd prior year	2017-12-31	
3 rd prior year	2016-12-31	
4 th prior year	2015-12-31	
5 th prior year	2014-12-31	
6 th prior year*	2013-12-31	
7 th prior year	2012-12-31	
8 th prior year	2011-12-31	
9 th prior year	2010-12-31	
10 th prior year	2009-12-31	
11 th prior year	2008-12-31	
12 th prior year	2007-12-31	
13 th prior year	2006-12-31	
14 th prior year	2005-12-31	
15 th prior year	2004-12-31	
16 th prior year	2003-12-31	
17 th prior year	2002-12-31	
18 th prior year	2001-12-31	
19 th prior year	2000-12-31	
20 th prior year		
21 st prior year*		
Total		

* These gifts expired in the current year.

CLIENT COPY

**Dividends Received, Taxable Dividends Paid, and
Part IV Tax Calculation**

Corporation's name Whitby Hydro Electric Corporation	Business number [REDACTED]	Tax year-end Year Month Day 2019-03-31

- 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); or
 - 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.
- A recipient corporation is **connected** with a payer corporation at any time in a tax year, if at that time the recipient corporation:
 - controls the payer corporation, other than because of a right referred to in paragraph 251(5)(b); or
 - 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 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 and I **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 column J and K use the **special calculations provided in the notes**.

A	A1	B	C	D	E
Name of payer corporation (from which the corporation received the dividend)		Enter 1 if payer corporation is connected	Business Number of connected corporation	Tax year-end of the payer corporation in which the sections 112/113 and subsection 138(6) dividends in column F were paid YYYYMMDD	Non-taxable dividends under section 83
200		205	210	220	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	F1	G	H	I	J	K
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) ^{note 1}		Eligible dividends included in column F	Total taxable dividends paid by connected payer corporation (for tax year in column D)	Dividend refund of the connected payer corporation (for tax year in column D) ^{note 2}	Part IV tax for eligible dividends. Dividends (from column G) multiplied by 38 1/3% ^{note 3}	Part IV tax before deductions. Dividends (from column F) multiplied by 38 1/3% ^{note 4}
240		242	250	260	265	275
1						

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 J or column K whichever one applies. 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.

Part 2 – Calculation of Part IV tax payable

Part IV tax on dividends received before deductions (amount 1H in part 1) 2A

Part IV tax payable on dividends subject to Part IV tax (from line 360 of Schedule 43) **320** 2B

Subtotal (amount 2A minus line 320) **320** 2B

Current-year non-capital loss claimed to reduce Part IV tax **330** 2C

Non-capital losses from previous years claimed to reduce Part IV tax **335** 2C

Current-year farm loss claimed to reduce Part IV tax **340** 2C

Farm losses from previous years claimed to reduce Part IV tax **345** 2C

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** 2D

(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 (ERDTH) at the end of the tax year.

Part IV tax before deductions on taxable dividends received from connected corporations ^{note 5} (amount 1F 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)

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 (ERDTH) at the end of the tax year.

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 eligible 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)

5 To the extent of a dividend refund to the connected payer corporation from its eligible refundable dividend tax on hand (ERDTH). Otherwise, the amount 2E is nil.

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 connected recipient corporation, 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 connected recipient corporation 400	M Business Number 410	N Tax year-end of connected recipient corporation in which the dividends in column O were received YYYYMMDD 420	O Taxable dividends paid to connected corporations 430	P Eligible dividends included in column O 440
1	Whitby Hydro Energy Corporation		2019-12-31	1,134,000	
2					
				1,134,000	
				(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	1,134,000
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	1,134,000

Complete this part to determine the following amounts in order to calculate the dividend refund.

Line 465 multiplied by 38 1 / 3 %		3A
(enter at amount AA on page 7 of the T2 return)		
Line 470 multiplied by 38 1 / 3 %	434,700	3B
(enter at amount DD on page 7 of the T2 return)		

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)		1,134,000
Other dividends paid in the tax year (total of 510 to 540)		
Total dividends paid in the tax year	500	1,134,000

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)		1,134,000 4B



Corporation Loss Continuity and Application

Corporation's name Whitby Hydro Electric Corporation	Business number [REDACTED]	Tax year-end Year Month Day 2019-03-31

- 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 -280,115 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") -280,115 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) -280,115 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") -280,115 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) 110 280,115 h
 Subtotal (amount g plus amount h) 280,115 I
 Subtotal (amount H plus amount I) 280,115 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	130	k
Enter amount k on line 331 of the T2 Return.		
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)	280,115	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	280,115 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)	280,115	280,115 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	10,369 a
Capital losses transferred on an amalgamation or on the wind-up of a subsidiary corporation	205	b
Subtotal (amount a plus amount b)	10,369	10,369 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)	10,369	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)	10,369	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) **10,369** 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			10,369 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 =** aAmount a or \$ 15,000 (note 10), whichever is less **2,500** b..... **2,500** cSubtotal (amount b **plus** amount c) **2,500** **2,500** BCurrent-year restricted farm loss (amount A **minus** amount B) **235** 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** eRestricted 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** fCurrent-year restricted farm loss (from amount C) **410** gEnter amount g on line 233 of Schedule 1, *Net Income (Loss) for Income Tax Purposes*.Subtotal (amount f **plus** amount g) **812** ESubtotal (amount D **plus** amount E) **1,214** 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** iOther adjustments **450** jSubtotal (total of amounts h to j) **870** GRestricted farm losses before any request for a carryback (amount F **minus** amount G) **344** H**Deduct – Request to carry back restricted farm loss to:**First previous tax year to reduce farming income **941** kSecond previous tax year to reduce farming income **942** lThird previous tax year to reduce farming income **943** mSubtotal (total of amounts k to m) **2,824** IClosing 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**

CLIENT COPY

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
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
Total (enter this amount on line 222 of Schedule 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
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	280,115		280,115	N/A		
1st preceding taxation year 2018-12-31		N/A		N/A			
2nd preceding taxation year 2017-12-31		N/A		N/A			
3rd preceding taxation year 2016-12-31		N/A		N/A			
4th preceding taxation year 2015-12-31		N/A		N/A			
5th preceding taxation year 2014-12-31		N/A		N/A			
6th preceding taxation year 2013-12-31		N/A		N/A			
7th preceding taxation year 2012-12-31		N/A		N/A			
8th preceding taxation year 2011-12-31		N/A		N/A			
9th preceding taxation year 2010-12-31		N/A		N/A			
10th preceding taxation year 2009-12-31		N/A		N/A			
11th preceding taxation year 2008-12-31		N/A		N/A			
12th preceding taxation year 2007-12-31		N/A		N/A			
13th preceding taxation year 2006-12-31		N/A		N/A			
14th preceding taxation year 2005-12-31		N/A		N/A			
15th preceding taxation year 2004-12-31		N/A		N/A			
16th preceding taxation year 2003-12-31		N/A		N/A			
17th preceding taxation year 2002-12-31		N/A		N/A			
18th preceding taxation year 2001-12-31		N/A		N/A			
19th preceding taxation year 2000-12-31		N/A		N/A			
20th preceding taxation year		N/A		N/A			*
Total		280,115		280,115			

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



Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
Whitby Hydro Electric Corporation		2019-03-31

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	Description	2 Undepreciated capital cost (UCC) at the beginning of the year	3 Cost of acquisitions during the year (new property must be available for use) See note 2	4 Cost of acquisitions from column 3 that are accelerated investment incentive properties (AIIP) See note 3	5 Adjustments and transfers See note 4	6 Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition See note 5	7 Amount from column 5 that is repaid during the year for a property, subsequent to its disposition See note 6	8 Proceeds of dispositions See note 7	For tax years ending before November 21, 2018: 50% rule (1/2 of net acquisitions)
200		201	203	225	205	221	222	207	211
1. 1	BLDG, PLANT & DISTR	32,235,895	7,915	7,915				0	
2. 2	GEN & DISTR < 1988	4,652,224						0	
3. 8	OFFICE EQUIPMENT	2,042,673	30,502	30,502				0	
4. 10	COMPUTER EQUIPMENT	2,614						0	
5. 12	Computer Software	54,704	8,866	8,866				0	
6. 14.1	Goodwill	424,649						0	
7. 14.1	Transaction Costs	406,578	218,802	218,802				0	
8. 17	YARD IMPROVEMENTS	266,692						0	
9. 43.2	SOLAR PANELS	13,525						0	
10. 45	COMPUTER EQUIPMENT ACQUI	170						0	
11. 47	GEN & DISTR > FEB 22, 2005	43,023,699	1,255,609	1,255,609				0	
12. 50	COMPUTER EQUIPMENT ACQUI	57,792	1,201	1,201				0	
13. 95	WIP	953,217	1,372,928	1,372,928				0	
Totals		84,134,432	2,895,823	2,895,823					

1 Class number * See note 1	Des- crip- tion	9 UCC (column 2 plus column 3 plus or minus column 5 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	14 CCA rate % See note 11	15 Recapture of CCA See note 12	16 Terminal loss See note 13	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	18 UCC at the end of the year (column 9 minus column 17)
200						224	212	213	215	217	220
1.	1	BLDG,	32,243,810		7,915	3,958	4	0	0	318,060	31,925,750
2.	2	GEN &	4,652,224				6	0	0	68,827	4,583,397
3.	8	OFFICE	2,073,175		30,502	15,251	20	0	0	102,991	1,970,184
4.	10	COMPL	2,614				30	0	0	193	2,421
5.	12	Compu	63,570		8,866		100	0	0	15,675	47,895
6.	14.1	Goodw	424,649				5	0	0	7,329	417,320
7.	14.1	Transa	625,380		218,802	109,401	5	0	0	9,059	616,321
8.	17	YARD I	266,692				8	0	0	5,261	261,431
9.	43.2	SOLAR	13,525				50	0	0	1,668	11,857
10.	45	COMPL	170				45	0	0	19	151
11.	47	GEN &	44,279,308		1,255,609	627,805	8	0	0	885,839	43,393,469
12.	50	COMPL	58,993		1,201	601	55	0	0	8,082	50,911
13.	95	WIP	2,326,145		1,372,928	686,464	0	0	0		2,326,145
Totals			87,030,255		2,895,823	1,443,480				1,423,003	85,607,252

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).



RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
Whitby Hydro Electric Corporation		2019-03-31

- 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.	Town of Whitby		NR	3					
2.	Whitby Hydro Energy Corporation			1					
3.	Whitby Hydro Energy Services Corp.			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

CLIENT COPY



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 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	2 Business number of associated corporations	3 Association code	4 Business limit for the year before the allocation \$	5 Percentage of the business limit %	6 Business limit allocated* \$
	100	200	300		350	400
1	Whitby Hydro Electric Corporation	■■■■■■■■■■	1	500,000		
2	Town of Whitby	NR	1	500,000		
3	Whitby Hydro Energy Corporation	■■■■■■■■■■	1	500,000	100.0000	500,000
4	Whitby Hydro Energy Services Corporation	■■■■■■■■■■	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 $0.225\% \times (D - \$10,000,000)$. 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.

CLIENT COPY

**Taxable Capital Employed in Canada – Large Corporations**

Corporation's name	Business number	Tax year-end Year Month Day
Whitby Hydro Electric Corporation		2019-03-31

- 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	
Capital stock (or members' contributions if incorporated without share capital)	103	29,494,042
Retained earnings	104	22,576,710
Contributed surplus	105	
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)		52,070,752
		52,070,752 A

Note:Line 112 is determined by the formula $(A - B) \times C/D$ (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
- those lines applied to partnerships in the same manner that they apply to corporations, and
 - those amounts were computed without reference to amounts owing by the partnership
 - to any corporation that held a membership interest in the partnership either directly or indirectly through another partnership, or
 - 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) 52,070,752 A**Deduct** the following amounts:Deferred tax debit balance at the end of the year 121Any 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 122To 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. 123Deferred unrealized foreign exchange losses at the end of the year 124Subtotal (add lines 121 to 124) 190 B**Capital for the year** (amount A minus amount B) (if negative, enter "0") 190 52,070,752**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 401A loan or advance to another corporation (other than a financial institution) 402A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution) 403Long-term debt of a financial institution 404A dividend payable on a share of the capital stock of another corporation 405A 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) 406An interest in a partnership (see note 2 below) 407**Investment allowance for the year** (add lines 401 to 407) 490**Notes:**

- 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).
- 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.
- 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 capitalCapital for the year (line 190) 52,070,752 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 52,070,752

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)	52,070,752	x	Taxable income earned in Canada	610		1,000	=	Taxable capital employed in Canada	690	52,070,752
			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.

Attached Schedule with Total

Part 1 – All loans and advances to the corporation

Title Part 1 – All loans and advances to the corporation

Description	Operator (Note)	Amount
Due from related parties		
Due to related parties	+	
Customer deposits	+	
	+	
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 $1+3*2$.

CLIENT COPY

Attached Schedule with Total

Part 1 – All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations

Title Part 1 – All indebtedness of the corporation represented by bonds, debent

Description	Operator (Note)	Amount
Current portion of LTD		
Long term portion	+	
	+	
	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 $1+3*2$.

CLIENT COPY



SHAREHOLDER INFORMATION

Name of corporation	Business Number	Tax year end Year Month Day
Whitby Hydro Electric Corporation		2019-03-31

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

CLIENT COPY

**General Rate Income Pool (GRIP) Calculation**

Corporation's name Whitby Hydro Electric Corporation	Business number [REDACTED]	Tax year-end Year Month Day 2019-03-31

On: 2019-03-31

- 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	38,254,258	A
Taxable income for the year (DICs enter "0") *	110	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		
After-tax income (line 150 multiplied by 0.72 (the general rate factor for the tax year))	190	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)		38,254,258	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	38,254,258	
Total GRIP adjustment for specified future tax consequences to previous tax years (amount N3 in Part 2)	560	201,683	
GRIP at the end of the tax year (line 490 minus line 560)	590	38,052,575	

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.

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 4,008,588 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) C1

Subtotal (amount B1 **plus** amount C1) D1

Subtotal (amount A1 **minus** amount D1) (if negative, enter "0") 4,008,588 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** 2017-12-31Taxable income before specified future tax consequences from
the current tax year 1,695,959 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 B2Aggregate investment income
(line 440 of the T2 return) C2Subtotal (amount B2 **plus** amount C2) ▶ D2Subtotal (amount A2 **minus** amount D2) (if negative, enter "0") 1,695,959 ▶ 1,695,959 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 G2Aggregate investment income
(line 440 of the T2 return) H2Subtotal (amount G2 **plus** amount H2) ▶ I2Subtotal (amount F2 **minus** amount I2) (if negative, enter "0") ▶ J2Subtotal (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 2016-12-31Taxable income before specified future tax consequences from
the current tax year 3,313,724 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 B3Aggregate investment income
(line 440 of the T2 return) C3Subtotal (amount B3 **plus** amount C3) ▶ D3Subtotal (amount A3 **minus** amount D3) (if negative, enter "0") 3,313,724 ▶ 3,313,724 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
280,115					280,115

Taxable income after specified future tax consequences 3,033,609 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 G3Aggregate investment income
(line 440 of the T2 return) H3Subtotal (amount G3 **plus** amount H3) ▶ I3Subtotal (amount F3 **minus** amount I3) (if negative, enter "0") 3,033,609 ▶ 3,033,609 J3Subtotal (amount E3 **minus** amount J3) (if negative, enter "0") 280,115 K3**GRIP adjustment for specified future tax consequences to the third previous tax year**(amount K3 **multiplied by** 0.72) **540** 201,683**Total GRIP adjustment for specified future tax consequences to previous tax years:**(add lines 500, 520, and 540) (if negative, enter "0") 201,683 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 Postamalgamation . . . ☐ Postwind-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.

CLIENT COPY

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.

Canada Revenue
AgencyAgence du revenu
du Canada

Schedule 55

Part III.1 Tax on Excessive Eligible Dividend Designations

Corporation's name Whitby Hydro Electric Corporation	Business number [REDACTED]	Tax year-end Year Month Day 2019-03-31

- 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 completed 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 (GRIP), and low rate income pool (LRIP).
- 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.

Do not use this area

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	.....	1,134,000	
Total taxable dividends paid in the tax year	.....	100 1,134,000	
Total eligible dividends paid in the tax year	.....	150	A
GRIP at the end of the tax year (line 590 on Schedule 53) (if negative, enter "0")	.....	160 38,052,575	B
Excessive eligible dividend designation (line 150 minus line 160)	.....		C
Deduct:			
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *	.....	180	D
Subtotal (amount C minus amount D)	.....		E
Part III.1 tax on excessive eligible dividend designations – CCPC or DIC (amount E multiplied by 20 %)	.....	190	F
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 from line A of Schedule 54)	.....		G
Deduct:			
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *	.....	280	H
Subtotal (amount G minus amount H)	.....		I
Part III.1 tax on excessive eligible dividend designations – Other corporations (amount I multiplied by 20 %)	.....	290	J
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. For more information on how to make this election, go to www.cra.gc.ca/eligibledividends.

**CORPORATIONS INFORMATION ACT ANNUAL RETURN FOR ONTARIO CORPORATIONS**

Name of corporation	Business Number	Tax year-end Year Month Day
Whitby Hydro Electric Corporation		2019-03-31

- 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)			
Whitby Hydro Electric 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		2000-11-01	

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	
100	Taunton Road East		
240 Additional address information if applicable (line 220 must be completed first)			
PO BOX 59			
250 Municipality (e.g., city, town)	260 Province/state	270 Country	280 Postal/zip code
Whitby	ON	CA	L1N 5R8

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."
☐ 2 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 LOMBARDI	451 LUCY
Last name	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.

CLIENT COPY

Federal Tax Instalments

Federal tax instalments

For the taxation year ended 2020-03-31

Business number

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 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 1A4

Monthly instalment workchart

Date	Monthly tax instalments	Refund transferred to instalments	Instalments paid	Cumulative difference	Instalments payable
2019-04-30	1,273				1,273
2019-05-31	1,273				1,273
2019-06-30	1,273				1,273
2019-07-31	1,273				1,273
2019-08-31	1,273				1,273
2019-09-30	1,273				1,273
2019-10-31	1,273				1,273
2019-11-30	1,273				1,273
2019-12-31	1,273				1,273
2020-01-31	1,273				1,273
2020-02-29	1,273				1,273
2020-03-31	1,262				1,262
Totals	15,265				15,265



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		055 Do not use this area	
Corporation's name 002 Whitby Hydro Electric Corporation		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 2019-03-31	
Address of head office Has this address changed since the last time we were notified? 010 Yes ☐ No ☒ If yes, complete lines 011 to 018. 011 100 Taunton Road East 012 PO Box 59 City Province, territory, or state 015 Whitby 016 ON Country (other than Canada) Postal or ZIP code 017 L1N 5R8 018		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 ☒ If yes, provide the date control was acquired 065 Year Month Day	
Mailing address (if different from head office address) Has this address changed since the last time we were notified? 020 Yes ☐ No ☒ If yes, complete lines 021 to 028. 021 c/o 022 023 City Province, territory, or state 025 026 Country (other than Canada) Postal or ZIP code 027 028		Is the date on line 061 a deemed tax year-end according to subsection 249(3.1)? 066 Yes ☐ No ☒ Is the corporation a professional corporation that is a member of a partnership? 067 Yes ☐ No ☒ Is this the first year of filing after: Incorporation? 070 Yes ☐ No ☒ Amalgamation? 071 Yes ☐ No ☒ If yes, complete lines 030 to 038 and attach Schedule 24.	
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 ☒ If yes, complete lines 031 to 038. 031 032 City Province, territory, or state 035 036 Country (other than Canada) Postal or ZIP code 037 038		Has there been a wind-up of a subsidiary under section 88 during the current tax year? 072 Yes ☐ No ☒ If yes, complete and attach Schedule 24. Is this the final tax year before amalgamation? 076 Yes ☒ No ☐ Is this the final return up to dissolution? 078 Yes ☐ No ☒ If an election was made under section 261, state the functional currency used 079	
040 Type of corporation at the end of the tax year (tick one) ☒ 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		Is the corporation a resident of Canada? 080 Yes ☒ No ☐ If no, give the country of residence on line 081 and complete and attach Schedule 97. 081 Is the non-resident corporation claiming an exemption under an income tax treaty? 082 Yes ☐ No ☒ If yes, complete and attach Schedule 91. 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?	☒	9
Is the corporation an associated CCPC?	☒	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	☐	49
Does the corporation have any non-resident shareholders who own voting shares?	☐	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	☐	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?	☐	44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	☐	14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	☐	15
Is the corporation claiming a loss or deduction from a tax shelter?	☐	T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	☐	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)?	☐	22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	☐	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?	☐	29
Did the corporation have a total amount over CAN\$1 million of reportable transactions with non-arm's length non-residents?	☐	T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	☒	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	☐	
Does the corporation earn income from one or more Internet web pages or websites?	☐	88
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	☒	1
Has the corporation made any charitable donations; gifts of cultural or ecological property; or gifts of medicine?	☒	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	☒	3
Is the corporation claiming any type of losses?	☒	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	☒	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	☐	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)?	☐	7
Does the corporation have any property that is eligible for capital cost allowance?	☒	8
Does the corporation have any resource-related deductions?	☐	12
Is the corporation claiming deductible reserves?	☐	13
Is the corporation claiming a patronage dividend deduction?	☐	16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or a provincial credit union tax reduction?	☐	17
Is the corporation an investment corporation or a mutual fund corporation?	☐	18
Is the corporation carrying on business in Canada as a non-resident corporation?	☐	20
Is the corporation claiming any federal, provincial, or territorial foreign tax credits, or any federal logging tax credits?	☐	21
Does the corporation have any Canadian manufacturing and processing profits?	☐	27
Is the corporation claiming an investment tax credit?	☐	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	☐	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over \$10,000,000?	☒	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over \$10,000,000?	☒	
Is the corporation subject to gross Part VI tax on capital of financial institutions?	☐	38
Is the corporation claiming a Part I tax credit?	☐	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?	☐	43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	☐	45
Is the corporation subject to Part II – Tobacco Manufacturers' surtax?	☐	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?	☐	39
Is the corporation claiming a Canadian film or video production tax credit?	☐	T1131
Is the corporation claiming a film or video production services tax credit?	☐	T1177
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	☐	92

Attachments (continued)

	Yes	Schedule
Did the corporation have any foreign affiliates in the tax year?	☐	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?	☐	T1135
Did the corporation transfer or loan property to a non-resident trust?	☐	T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	☐	T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	☐	T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	☐	T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	☐	T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	☒	55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	☐	T2002
Has the corporation revoked any previous election made under subsection 89(11)?	☐	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?	☒	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?	☐	54

Additional information

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	Yes ☒	No ☐
Is the corporation inactive?	Yes ☐	No ☒
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 Distribution	285 100.000 %
	286	287 %
	288	289 %
Did the corporation immigrate to Canada during the tax year?	Yes ☐	No ☒
Did the corporation emigrate from Canada during the tax year?	Yes ☐	No ☒
Do you want to be considered as a quarterly instalment remitter if you are eligible?	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 GIF	300	-280,115	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) (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	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:

- 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.
- 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 ***	195,235	D	=		E
			11,250				

Passive income business limit reduction

Adjusted aggregate investment income from Schedule 7****	417	-	50,000	=		F
Amount C	x	Amount F		=		G
	100,000					

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		x	17.5 % =	1
		Number of days in the tax year	90			
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		x	18 % =	2
		Number of days in the tax year	90			
Amount A, B, C, or L, whichever is the least	x	Number of days in the tax year after December 31, 2018		x	19 % =	3
		Number of days in the tax year	90			

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	P Income paid under clause 125(1)(a)(i)(B) to the corporation identified in column O ³	Q Business limit assigned to corporation identified in column O ⁴
	490	500	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** $\times \quad 30 \quad 2 / 3 \quad \% =$ A

Foreign non-business income tax credit from line 632 on page 8 B

Foreign investment income from Schedule 7 **445** $\times \quad 8 \quad \% =$ 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 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 $\times \quad 75 / 29 =$ H

Foreign business income tax credit from line 636 on page 8 $\times \quad 4 =$ I

Subtotal (**add** amounts G to I) **▶** J

Subtotal (amount F **minus** amount J) (if negative, enter "0") $K \times 30 \quad 2 / 3 \quad \% =$ 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 $\times \quad 38 \quad 1 / 3 \quad \% =$ 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)		38,254,258	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")		38,254,258	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)		38,254,258	H
Amount H multiplied by 38 1 / 3 %		14,664,132	I
Eligible refundable dividend tax on hand (ERDTH) 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 (NERDTH) 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 ERDTH transferred on an amalgamation or the wind-up of a subsidiary	525		O
ERDTH 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 ERDTH (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 NERDTH transferred on an amalgamation or the wind-up of a subsidiary	540		V
NERDTH 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 NERDTH, net of losses claimed (amount U minus amount X) (if negative enter "0")			Y
NERDTH at the end of the tax year* (total of amounts K, Q, V, and Y minus amount W) (if negative, enter "0")	545		Z
Part IV tax payable allocated to ERDTH, 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")			
ERDTH at the end of the tax year* (total of amounts J, Q, 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
ERDTH 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)		434,700 DD
NERDTH 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")		434,700 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 taxBase 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** BRecapture 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 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) 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		3,764
Total tax payable	770		3,764

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

Refund code 894 Refund

Balance (amount A minus amount B) 3,764

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 3,764

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	918	Institution number	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 A6698

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

Certification

I, 950 LOMBARDI	951 LUCY	954 CFO, VP, REGULATORY AFFAIRS
Last name	First name	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 2019-09-23	Signature of the authorized signing officer of the corporation	956 (905) 668-5878
Date (yyyy/mm/dd)		Telephone number

Is the contact person the same as the authorized signing officer? If **no**, complete the information below

957 Yes ☒ No ☐	959
958	Telephone number

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

990 1



Form identifier 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIF1

Corporation's name	Business number	Tax year end Year Month Day
Whitby Hydro Electric Corporation		2019-03-31

Balance sheet information

Account	Description	GIFI	Current year	Prior year
Assets				
	Total current assets	1599 +	21,145,000	22,856,000
	Total tangible capital assets	2008 +	127,618,000	122,921,000
	Total accumulated amortization of tangible capital assets	2009 –	21,229,000	20,079,000
	Total intangible capital assets	2178 +	1,443,000	1,434,000
	Total accumulated amortization of intangible capital assets	2179 –	1,114,000	1,079,000
	Total long-term assets	2589 +	3,637,000	3,821,000
	* Assets held in trust	2590 +		
	Total assets (mandatory field)	2599 =	131,500,000	129,874,000
Liabilities				
	Total current liabilities	3139 +	31,633,000	27,448,000
	Total long-term liabilities	3450 +	47,796,248	49,415,917
	* Subordinated debt	3460 +		
	* Amounts held in trust	3470 +		
	Total liabilities (mandatory field)	3499 =	79,429,248	76,863,917
Shareholder equity				
	Total shareholder equity (mandatory field)	3620 +	52,070,752	53,010,083
	Total liabilities and shareholder equity	3640 =	131,500,000	129,874,000
Retained earnings				
	Retained earnings/deficit – end (mandatory field)	3849 =	22,576,710	23,516,041

* Generic item

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



Form identifier 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIF

Corporation's name	Business number	Tax year end Year Month Day
Whitby Hydro Electric Corporation		2019-03-31

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	+	29,494,000	123,422,000
Cost of sales	8518	-	23,319,000	97,501,000
Gross profit/loss	8519	=	6,175,000	25,921,000
Cost of sales	8518	+	23,319,000	97,501,000
Total operating expenses	9367	+	6,031,667	19,131,954
Total expenses (mandatory field)	9368	=	29,350,667	116,632,954
Total revenue (mandatory field)	8299	+	29,484,184	123,205,367
Total expenses (mandatory field)	9368	-	29,350,667	116,632,954
Net non-farming income	9369	=	133,517	6,572,413

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	=	133,517	6,572,413

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	-	-62,000	-31,000
Current income taxes	9990	-	-55,266	1,035,000
Future (deferred) income tax provision	9995	-	56,114	489,388
Total – Other comprehensive income	9998	+		
Net income/loss after taxes and extraordinary items (mandatory field)	9999	=	194,669	5,079,025

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



Notes Checklist

Corporation's name Whitby Hydro Electric Corporation	Business number [REDACTED]	Tax Year End Year Month Day 2019-03-31

- 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 ☒ No ☐

Is the accountant connected* with the corporation? **097** Yes ☐ No ☒

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	☒
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 ☒

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 ☒ No ☐

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

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

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.

**Net Income (Loss) for Income Tax Purposes****Schedule 1**

Corporation's name	Business number	Tax year-end Year Month Day
Whitby Hydro Electric Corporation		2019-03-31

- 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 125 194,669 **A**

Add:

Provision for income taxes – current	101	-55,266	
Provision for income taxes – deferred	102	56,114	
Amortization of tangible assets	104	1,168,208	
Amortization of intangible assets	106	35,016	
Loss on disposal of assets	111	9,816	
Charitable donations and gifts from Schedule 2	112	16,000	
Non-deductible meals and entertainment expenses	121	846	
Subtotal of additions		1,230,734	1,230,734

Other additions:

Non-deductible legal and accounting fees	228	218,802	

Miscellaneous other additions:

1 Description	2 Amount		
605	295		
1 Addback Re: 12(1)(x)	824,747		
2 Movement in stranded meters	97,818		
3 Interest on leased assets	20,301		
4 Lease amortization	94,366		
Total of column 2	1,037,232	296	1,037,232
Subtotal of other additions		199	1,256,034
Total additions		500	2,486,768

Amount A plus amount B 2,681,437 **C**

Deduct:

Capital cost allowance from Schedule 8	403	1,423,003	
Subtotal of deductions		1,423,003	1,423,003

Other deductions:**Miscellaneous other deductions:**

1 Description	2 Amount		
705	395		
1 Amortization of deferred capital contributions	275,431		
2 Tax included in net movement in regulatory balances	56,114		
3 Election under S13(7.4)	824,747		
4 Capitalized overhead deducted for tax	150,936		
5 Net OM&A Deduction - Regulatory Assets	117,035		
6 Lease payments on leased assets	114,286		
Total of column 2	1,538,549	396	1,538,549

Subtotal of other deductions	499	1,538,549	▶	1,538,549	
Total deductions	510	2,961,552	▶	2,961,552	D
Net income (loss) for income tax purposes (amount C minus amount D)				-280,115	E

Enter amount E on line 300 of the T2 return.

T2 SCH 1 E (17)

Canada

CLIENT COPY



Charitable Donations and Gifts

Corporation's name	Business number	Tax year-end Year Month Day
Whitby Hydro Electric Corporation		2019-03-31

- 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)
Ability Centre Gala	10,000
Foundation Gala	5,000
Brooklin Spring Fair	1,000
	Subtotal 16,000
Add: Total donations of less than \$100 each	
Total donations in current tax year	
	16,000

Part 1 – Charitable donations

	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 210	16,000	16,000	16,000
(include this amount on line 112 of Schedule 1 Net Income (Loss) for Income Tax Purposes)			
Subtotal (line 250 plus line 210)	16,000 B	16,000	16,000
Subtotal (line 240 plus amount B)	16,000 C	16,000	16,000
Adjustment for an acquisition of control 255			
Total charitable donations available (amount C minus line 255)	16,000 D	16,000	16,000
Amount applied in the current year against taxable income (cannot be more than amount L in Part 2) 260			
(enter this amount on line 311 of the T2 return)			
Charitable donations closing balance (amount D minus line 260) 280	16,000	16,000	16,000
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
1 st prior year	2018-12-31			
2 nd prior year	2017-12-31			
3 rd prior year	2016-12-31			
4 th prior year	2015-12-31			
5 th prior year	2014-12-31			
6 th prior year*	2013-12-31			
7 th prior year	2012-12-31			
8 th prior year	2011-12-31			
9 th prior year	2010-12-31			
10 th prior year	2009-12-31			
11 th prior year	2008-12-31			
12 th prior year	2007-12-31			
13 th prior year	2006-12-31			
14 th prior year	2005-12-31			
15 th prior year	2004-12-31			
16 th prior year	2003-12-31			
17 th prior year	2002-12-31			
18 th prior year	2001-12-31			
19 th prior year	2000-12-31			
20 th prior year				
21 st 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 %		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)		K
Maximum allowable deduction for charitable donations (enter amount D from Part 1, amount K, or net income for tax purposes, whichever is less)		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

	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 410			
(include this amount on line 112 of Schedule 1)			
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 460			
(enter this amount on line 313 of the T2 return)			
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
1 st prior year 2018-12-31			
2 nd prior year 2017-12-31			
3 rd prior year 2016-12-31			
4 th prior year 2015-12-31			
5 th prior year 2014-12-31			
6 th prior year* 2013-12-31			
7 th prior year 2012-12-31			
8 th prior year 2011-12-31			
9 th prior year 2010-12-31			
10 th prior year 2009-12-31			
11 th prior year 2008-12-31			
12 th prior year 2007-12-31			
13 th prior year 2006-12-31			
14 th prior year 2005-12-31			
15 th prior year 2004-12-31			
16 th prior year 2003-12-31			
17 th prior year 2002-12-31			
18 th prior year 2001-12-31			
19 th prior year 2000-12-31			
20 th prior year			
21 st 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		Federal	Québec	Alberta
Year of origin:				
1 st prior year	2018-12-31			
2 nd prior year	2017-12-31			
3 rd prior year	2016-12-31			
4 th prior year	2015-12-31			
5 th prior year	2014-12-31			
6 th prior year*	2013-12-31			
7 th prior year	2012-12-31			
8 th prior year	2011-12-31			
9 th prior year	2010-12-31			
10 th prior year	2009-12-31			
11 th prior year*	2008-12-31			
12 th prior year	2007-12-31			
13 th prior year	2006-12-31			
14 th prior year	2005-12-31			
15 th prior year	2004-12-31			
16 th prior year	2003-12-31			
17 th prior year	2002-12-31			
18 th prior year	2001-12-31			
19 th prior year	2000-12-31			
20 th prior year				
21 st 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 $\left(\frac{b}{c}\right)$ = 2017 Additional deduction for gifts of medicine made before March 22, 610			
Québec			
a _____ x $\left(\frac{b}{c}\right)$ = 2017 Additional deduction for gifts of medicine made before March 22,			
Alberta			
a _____ x $\left(\frac{b}{c}\right)$ = 2017 Additional deduction for gifts of medicine made before March 22,			
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)			
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 660			
(enter this amount on line 315 of the T2 return)			
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
1 st prior year	2018-12-31			
2 nd prior year	2017-12-31			
3 rd prior year	2016-12-31			
4 th prior year	2015-12-31			
5 th prior year	2014-12-31			
6 th prior year*	2013-12-31			
7 th prior year	2012-12-31			
8 th prior year	2011-12-31			
9 th prior year	2010-12-31			
10 th prior year	2009-12-31			
11 th prior year	2008-12-31			
12 th prior year	2007-12-31			
13 th prior year	2006-12-31			
14 th prior year	2005-12-31			
15 th prior year	2004-12-31			
16 th prior year	2003-12-31			
17 th prior year	2002-12-31			
18 th prior year	2001-12-31			
19 th prior year	2000-12-31			
20 th prior year				
21 st 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
1 st prior year	2018-12-31	
2 nd prior year	2017-12-31	
3 rd prior year	2016-12-31	
4 th prior year	2015-12-31	
5 th prior year	2014-12-31	
6 th prior year*	2013-12-31	
7 th prior year	2012-12-31	
8 th prior year	2011-12-31	
9 th prior year	2010-12-31	
10 th prior year	2009-12-31	
11 th prior year	2008-12-31	
12 th prior year	2007-12-31	
13 th prior year	2006-12-31	
14 th prior year	2005-12-31	
15 th prior year	2004-12-31	
16 th prior year	2003-12-31	
17 th prior year	2002-12-31	
18 th prior year	2001-12-31	
19 th prior year	2000-12-31	
20 th prior year		
21 st prior year*		
Total		

* These gifts expired in the current year.

CLIENT COPY

**Dividends Received, Taxable Dividends Paid, and
Part IV Tax Calculation**

Corporation's name Whitby Hydro Electric Corporation	Business number [REDACTED]	Tax year-end Year Month Day 2019-03-31

- 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); or
 - 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.
- A recipient corporation is **connected** with a payer corporation at any time in a tax year, if at that time the recipient corporation:
 - controls the payer corporation, other than because of a right referred to in paragraph 251(5)(b); or
 - 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 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 and I **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 column J and K use the **special calculations provided in the notes**.

A	A1	B	C	D	E
Name of payer corporation (from which the corporation received the dividend)		Enter 1 if payer corporation is connected	Business Number of connected corporation	Tax year-end of the payer corporation in which the sections 112/113 and subsection 138(6) dividends in column F were paid YYYYMMDD	Non-taxable dividends under section 83
200		205	210	220	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	F1	G	H	I	J	K
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) ^{note 1}		Eligible dividends included in column F	Total taxable dividends paid by connected payer corporation (for tax year in column D)	Dividend refund of the connected payer corporation (for tax year in column D) ^{note 2}	Part IV tax for eligible dividends. Dividends (from column G) multiplied by 38 1/3% ^{note 3}	Part IV tax before deductions. Dividends (from column F) multiplied by 38 1/3% ^{note 4}
240		242	250	260	265	275
1						

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 J or column K whichever one applies. 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.

Part 2 – Calculation of Part IV tax payable

Part IV tax on dividends received before deductions (amount 1H in part 1) 2A

Part IV tax payable on dividends subject to Part IV tax (from line 360 of Schedule 43) **320** 2B

Subtotal (amount 2A minus line 320) **320** 2B

Current-year non-capital loss claimed to reduce Part IV tax **330** 2C

Non-capital losses from previous years claimed to reduce Part IV tax **335** 2C

Current-year farm loss claimed to reduce Part IV tax **340** 2C

Farm losses from previous years claimed to reduce Part IV tax **345** 2C

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** 2D

(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 (ERDTH) at the end of the tax year.

Part IV tax before deductions on taxable dividends received from connected corporations ^{note 5} (amount 1F 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)

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 (ERDTH) at the end of the tax year.

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 eligible 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)

5 To the extent of a dividend refund to the connected payer corporation from its eligible refundable dividend tax on hand (ERDTH). Otherwise, the amount 2E is nil.

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 connected recipient corporation, 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 connected recipient corporation	M Business Number	N Tax year-end of connected recipient corporation in which the dividends in column O were received YYYYMMDD	O Taxable dividends paid to connected corporations	P Eligible dividends included in column O
	400	410	420	430	440
1	Whitby Hydro Energy Corporation		2019-12-31	1,134,000	
2					
				1,134,000	
				(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	1,134,000
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	1,134,000

Complete this part to determine the following amounts in order to calculate the dividend refund.

Line 465 multiplied by 38 1 / 3 %		3A
(enter at amount AA on page 7 of the T2 return)		
Line 470 multiplied by 38 1 / 3 %	434,700	3B
(enter at amount DD on page 7 of the T2 return)		

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)		1,134,000
Other dividends paid in the tax year (total of 510 to 540)		
Total dividends paid in the tax year	500	1,134,000

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)		1,134,000 4B



Corporation Loss Continuity and Application

Corporation's name	Business number	Tax year-end Year Month Day
Whitby Hydro Electric Corporation		2019-03-31

- 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 -280,115 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") -280,115 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) -280,115 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") -280,115 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) 110 280,115 h

Subtotal (amount g **plus** amount h) 280,115 I

Subtotal (amount H **plus** amount I) 280,115 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	130	k
Enter amount k on line 331 of the T2 Return.		
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)	280,115	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	280,115 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)	280,115	280,115 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	10,369 a
Capital losses transferred on an amalgamation or on the wind-up of a subsidiary corporation	205	b
Subtotal (amount a plus amount b)	10,369	10,369 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)	10,369	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)	10,369	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) **10,369** 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			10,369 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 =** aAmount a or \$ 15,000 (note 10), whichever is less **2,500** b..... **2,500** cSubtotal (amount b **plus** amount c) **2,500** **2,500** BCurrent-year restricted farm loss (amount A **minus** amount B) **2,500** 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** eRestricted 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** fCurrent-year restricted farm loss (from amount C) **410** gEnter amount g on line 233 of Schedule 1, *Net Income (Loss) for Income Tax Purposes*.Subtotal (amount f **plus** amount g) **410** ESubtotal (amount D **plus** amount E) **410** 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** iOther adjustments **450** jSubtotal (total of amounts h to j) **450** GRestricted farm losses before any request for a carryback (amount F **minus** amount G) **450** H**Deduct – Request to carry back restricted farm loss to:**First previous tax year to reduce farming income **941** kSecond previous tax year to reduce farming income **942** lThird previous tax year to reduce farming income **943** mSubtotal (total of amounts k to m) **943** IClosing 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**

CLIENT COPY

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	280,115		280,115	N/A		
1st preceding taxation year 2018-12-31		N/A		N/A			
2nd preceding taxation year 2017-12-31		N/A		N/A			
3rd preceding taxation year 2016-12-31		N/A		N/A			
4th preceding taxation year 2015-12-31		N/A		N/A			
5th preceding taxation year 2014-12-31		N/A		N/A			
6th preceding taxation year 2013-12-31		N/A		N/A			
7th preceding taxation year 2012-12-31		N/A		N/A			
8th preceding taxation year 2011-12-31		N/A		N/A			
9th preceding taxation year 2010-12-31		N/A		N/A			
10th preceding taxation year 2009-12-31		N/A		N/A			
11th preceding taxation year 2008-12-31		N/A		N/A			
12th preceding taxation year 2007-12-31		N/A		N/A			
13th preceding taxation year 2006-12-31		N/A		N/A			
14th preceding taxation year 2005-12-31		N/A		N/A			
15th preceding taxation year 2004-12-31		N/A		N/A			
16th preceding taxation year 2003-12-31		N/A		N/A			
17th preceding taxation year 2002-12-31		N/A		N/A			
18th preceding taxation year 2001-12-31		N/A		N/A			
19th preceding taxation year 2000-12-31		N/A		N/A			
20th preceding taxation year		N/A		N/A			*
Total		280,115		280,115			

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

Canada Revenue
AgencyAgence du revenu
du Canada**Tax Calculation Supplementary – Corporations****Schedule 5**

Corporation's name	Business Number	Tax year-end Year Month Day
Whitby Hydro Electric Corporation		2019-03-31

- 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 Yes ☐	103		143		
Newfoundland and Labrador Offshore Yes ☐	104		144		
Prince Edward Island Yes ☐	105		145		
Nova Scotia Yes ☐	107		147		
Nova Scotia Offshore Yes ☐	108		148		
New Brunswick Yes ☐	109		149		
Quebec Yes ☐	111		151		
Ontario Yes ☐	113		153		
Manitoba Yes ☐	115		155		
Saskatchewan Yes ☐	117		157		
Alberta Yes ☐	119		159		
British Columbia Yes ☐	121		161		
Yukon Yes ☐	123		163		
Northwest Territories Yes ☐	125		165		
Nunavut Yes ☐	126		166		
Outside Canada 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 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** 3,764

Ontario special additional tax on life insurance corporations (from Schedule 512) **280**

Subtotal (line 278 **plus** line 280) **3,764** **5H**

Total Ontario tax payable before refundable tax credits (amount 5G **plus** amount 5H) **3,764** **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 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) **5J**

Net Ontario tax payable or refundable tax credit (amount 5I **minus** amount 5J) **290** 3,764

(if a credit, enter amount in brackets) Include this amount on line 255.

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** 3,764

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.

CLIENT COPY



Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
Whitby Hydro Electric Corporation		2019-03-31

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	Description	2 Undepreciated capital cost (UCC) at the beginning of the year	3 Cost of acquisitions during the year (new property must be available for use) See note 2	4 Cost of acquisitions from column 3 that are accelerated investment incentive properties (AIIP) See note 3	5 Adjustments and transfers See note 4	6 Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition See note 5	7 Amount from column 5 that is repaid during the year for a property, subsequent to its disposition See note 6	8 Proceeds of dispositions See note 7	For tax years ending before November 21, 2018: 50% rule (1/2 of net acquisitions)
200		201	203	225	205	221	222	207	211
1. 1	BLDG, PLANT & DISTR	32,235,895	7,915	7,915				0	
2. 2	GEN & DISTR < 1988	4,652,224						0	
3. 8	OFFICE EQUIPMENT	2,042,673	30,502	30,502				0	
4. 10	COMPUTER EQUIPMENT	2,614						0	
5. 12	Computer Software	54,704	8,866	8,866				0	
6. 14.1	Goodwill	424,649						0	
7. 14.1	Transaction Costs	406,578	218,802	218,802				0	
8. 17	YARD IMPROVEMENTS	266,692						0	
9. 43.2	SOLAR PANELS	13,525						0	
10. 45	COMPUTER EQUIPMENT ACQUI	170						0	
11. 47	GEN & DISTR > FEB 22, 2005	43,023,699	1,255,609	1,255,609				0	
12. 50	COMPUTER EQUIPMENT ACQUI	57,792	1,201	1,201				0	
13. 95	WIP	953,217	1,372,928	1,372,928				0	
Totals		84,134,432	2,895,823	2,895,823					

1 Class number * See note 1	Des- crip- tion	9 UCC (column 2 plus column 3 plus or minus column 5 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	14 CCA rate % See note 11	15 Recapture of CCA See note 12	16 Terminal loss See note 13	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	18 UCC at the end of the year (column 9 minus column 17)
200						224	212	213	215	217	220
1.	1	BLDG,	32,243,810		7,915	3,958	4	0	0	318,060	31,925,750
2.	2	GEN &	4,652,224				6	0	0	68,827	4,583,397
3.	8	OFFICE	2,073,175		30,502	15,251	20	0	0	102,991	1,970,184
4.	10	COMPL	2,614				30	0	0	193	2,421
5.	12	Compu	63,570		8,866		100	0	0	15,675	47,895
6.	14.1	Goodw	424,649				5	0	0	7,329	417,320
7.	14.1	Transa	625,380		218,802	109,401	5	0	0	9,059	616,321
8.	17	YARD I	266,692				8	0	0	5,261	261,431
9.	43.2	SOLAR	13,525				50	0	0	1,668	11,857
10.	45	COMPL	170				45	0	0	19	151
11.	47	GEN &	44,279,308		1,255,609	627,805	8	0	0	885,839	43,393,469
12.	50	COMPL	58,993		1,201	601	55	0	0	8,082	50,911
13.	95	WIP	2,326,145		1,372,928	686,464	0	0	0		2,326,145
Totals			87,030,255		2,895,823	1,443,480				1,423,003	85,607,252

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).



RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
Whitby Hydro Electric Corporation		2019-03-31

- 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.	Town of Whitby		NR	3					
2.	Whitby Hydro Energy Corporation			1					
3.	Whitby Hydro Energy Services Corp.			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

CLIENT COPY



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 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	2 Business number of associated corporations	3 Association code	4 Business limit for the year before the allocation \$	5 Percentage of the business limit %	6 Business limit allocated* \$
	100	200	300		350	400
1	Whitby Hydro Electric Corporation	[REDACTED]	1	500,000		
2	Town of Whitby	NR	1	500,000		
3	Whitby Hydro Energy Corporation	[REDACTED]	1	500,000	100.0000	500,000
4	Whitby Hydro Energy Services Corporation	[REDACTED]	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 $0.225\% \times (D - \$10,000,000)$. 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.

CLIENT COPY

**Taxable Capital Employed in Canada – Large Corporations**

Corporation's name	Business number	Tax year-end Year Month Day
Whitby Hydro Electric Corporation		2019-03-31

- 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	
Capital stock (or members' contributions if incorporated without share capital)	103	29,494,042
Retained earnings	104	22,576,710
Contributed surplus	105	
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)		52,070,752
		52,070,752 A

Note:Line 112 is determined by the formula $(A - B) \times C/D$ (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
- those lines applied to partnerships in the same manner that they apply to corporations, and
 - those amounts were computed without reference to amounts owing by the partnership
 - to any corporation that held a membership interest in the partnership either directly or indirectly through another partnership, or
 - 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) 52,070,752 A**Deduct** the following amounts:Deferred tax debit balance at the end of the year 121Any 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 122To 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. 123Deferred unrealized foreign exchange losses at the end of the year 124Subtotal (add lines 121 to 124) 190 B**Capital for the year** (amount A minus amount B) (if negative, enter "0") 52,070,752**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 401A loan or advance to another corporation (other than a financial institution) 402A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution) 403Long-term debt of a financial institution 404A dividend payable on a share of the capital stock of another corporation 405A 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) 406An interest in a partnership (see note 2 below) 407**Investment allowance for the year** (add lines 401 to 407) 490**Notes:**

- 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).
- 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.
- 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 capitalCapital for the year (line 190) 52,070,752 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 52,070,752

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)	52,070,752	x	Taxable income earned in Canada	610		1,000	=	Taxable capital employed in Canada	690	52,070,752
			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.

Attached Schedule with Total

Part 1 – All loans and advances to the corporation

Title Part 1 – All loans and advances to the corporation

Description	Operator (Note)	Amount
Due from related parties		
Due to related parties	+	
Customer deposits	+	
	+	
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 $1+3*2$.

CLIENT COPY

Attached Schedule with Total

Part 1 – All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations

Title Part 1 – All indebtedness of the corporation represented by bonds, debent

Description	Operator (Note)	Amount
Current portion of LTD		
Long term portion	+	
	+	
	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 $1+3*2$.

CLIENT COPY



SHAREHOLDER INFORMATION

Name of corporation	Business Number	Tax year end Year Month Day
Whitby Hydro Electric Corporation		2019-03-31

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

CLIENT COPY



General Rate Income Pool (GRIP) Calculation

Corporation's name Whitby Hydro Electric Corporation	Business number [REDACTED]	Tax year-end Year Month Day 2019-03-31

On: 2019-03-31

- 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	38,254,258	A
Taxable income for the year (DICs enter "0") *	110		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		
After-tax income (line 150 multiplied by 0.72 (the general rate factor for the tax year))	190		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)		38,254,258	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	38,254,258	
Total GRIP adjustment for specified future tax consequences to previous tax years (amount N3 in Part 2)	560	201,683	
GRIP at the end of the tax year (line 490 minus line 560)	590	38,052,575	

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.

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 4,008,588 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) C1

Subtotal (amount B1 **plus** amount C1) D1

Subtotal (amount A1 **minus** amount D1) (if negative, enter "0") 4,008,588 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** 2017-12-31Taxable income before specified future tax consequences from
the current tax year 1,695,959 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 B2Aggregate investment income
(line 440 of the T2 return) C2Subtotal (amount B2 **plus** amount C2) ▶ D2Subtotal (amount A2 **minus** amount D2) (if negative, enter "0") 1,695,959 ▶ 1,695,959 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 G2Aggregate investment income
(line 440 of the T2 return) H2Subtotal (amount G2 **plus** amount H2) ▶ I2Subtotal (amount F2 **minus** amount I2) (if negative, enter "0") ▶ J2Subtotal (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 2016-12-31Taxable income before specified future tax consequences from
the current tax year 3,313,724 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 B3Aggregate investment income
(line 440 of the T2 return) C3Subtotal (amount B3 **plus** amount C3) ▶ D3Subtotal (amount A3 **minus** amount D3) (if negative, enter "0") 3,313,724 ▶ 3,313,724 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
280,115					280,115

Taxable income after specified future tax consequences 3,033,609 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 G3Aggregate investment income
(line 440 of the T2 return) H3Subtotal (amount G3 **plus** amount H3) ▶ I3Subtotal (amount F3 **minus** amount I3) (if negative, enter "0") 3,033,609 ▶ 3,033,609 J3Subtotal (amount E3 **minus** amount J3) (if negative, enter "0") 280,115 K3**GRIP adjustment for specified future tax consequences to the third previous tax year**(amount K3 **multiplied by** 0.72) **540** 201,683**Total GRIP adjustment for specified future tax consequences to previous tax years:**(add lines 500, 520, and 540) (if negative, enter "0") 201,683 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 Postamalgamation . . . ☐ Postwind-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.

CLIENT COPY

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.

**Part III.1 Tax on Excessive Eligible Dividend Designations**

Corporation's name Whitby Hydro Electric Corporation	Business number ██████	Tax year-end Year Month Day 2019-03-31

- 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 completed 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 (GRIP), and low rate income pool (LRIP).
- 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.

Do not use this area**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	.....	1,134,000	
Total taxable dividends paid in the tax year	.....	100 1,134,000	
Total eligible dividends paid in the tax year	.....		150 A
GRIP at the end of the tax year (line 590 on Schedule 53) (if negative, enter "0")	.....	160 38,052,575	B
Excessive eligible dividend designation (line 150 minus line 160)	.....		C
Deduct:			
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *	.....	180	D
Subtotal (amount C minus amount D)	.....		E
Part III.1 tax on excessive eligible dividend designations – CCPC or DIC (amount E multiplied by 20 %)	.....	190	F
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 from line A of Schedule 54)	.....		G
Deduct:			
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *	.....	280	H
Subtotal (amount G minus amount H)	.....		I
Part III.1 tax on excessive eligible dividend designations – Other corporations (amount I multiplied by 20 %)	.....	290	J
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. For more information on how to make this election, go to www.cra.gc.ca/eligibledividends.



Ontario Corporate Minimum Tax

Corporation's name	Business number	Tax year-end Year Month Day
Whitby Hydro Electric Corporation		2019-03-31

- 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	131,500,000
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	96,492,892
Total assets (total of lines 112 to 116)		227,992,892
Total revenue of the corporation for the tax year **	142	119,574,746
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	118,356,754
Total revenue (total of lines 142 to 146)		237,931,500

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	194,669
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	56,114
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	56,114 A
Deduct (to the extent reflected in income/loss):		
Provision for recovery of current income taxes/benefit of current income taxes	320	55,266
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 on movement in regulatory balances	382	56,114
383	384	
385	386	
387	388	
389	390	
	Subtotal	111,380 B
Adjusted net income/loss for CMT purposes (line 210 plus amount A minus amount B)	490	139,403

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 GIF1 (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	139,403
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	139,403
Amount from line 520 139,403 × $\frac{\text{Number of days in the tax year before July 1, 2010}}{\text{Number of days in the tax year}}$ × 4 % = 1		
Amount from line 520 139,403 × $\frac{\text{Number of days in the tax year after June 30, 2010}}{\text{Number of days in the tax year}}$ × 2.7 % = 3,764 2		
Subtotal (amount 1 plus amount 2)		3,764 3
Gross CMT: amount on line 3 above x OAF **	540	3,764
Deduct:		
Foreign tax credit for CMT purposes ***	550	
CMT after foreign tax credit deduction (line 540 minus line 550) (if negative, enter "0")		3,764 D
Deduct:		
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)		
Net CMT payable (if negative, enter "0")		3,764 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:

$$\frac{\text{Ontario taxable income ****}}{\text{Taxable income *****}} =$$

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)	 3,764	
SAT payable (amount O from Part 6 of Schedule 512)	.....	
	Subtotal	3,764 K
CMT credit carryforward at the end of the tax year (amount J plus amount K)	 670	3,764 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)	.. 3,764 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: 3,764 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) S

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

* 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.

**ONTARIO CORPORATE MINIMUM TAX – TOTAL ASSETS
AND REVENUE FOR ASSOCIATED CORPORATIONS**

Name of corporation	Business Number	Tax year-end Year Month Day
Whitby Hydro Electric Corporation	██████	2019-03-31

- 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	Business number (Canadian corporation only) (see Note 1)	Total assets* (see Note 2)	Total revenue** (see Note 2)
	200	300	400	500
1	Town of Whitby	NR	50,000,000	100,000,000
2	Whitby Hydro Energy Corporation	████████	30,432,176	5,708,028
3	Whitby Hydro Energy Services Corporation	████████	16,060,716	12,648,726
	Total		450 96,492,892	550 118,356,754

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.

**CORPORATIONS INFORMATION ACT ANNUAL RETURN FOR ONTARIO CORPORATIONS**

Name of corporation	Business Number	Tax year-end Year Month Day
Whitby Hydro Electric Corporation		2019-03-31

- 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)			
Whitby Hydro Electric 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		2000-11-01	

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	
100	Taunton Road East		
240 Additional address information if applicable (line 220 must be completed first)			
PO BOX 59			
250 Municipality (e.g., city, town)	260 Province/state	270 Country	280 Postal/zip code
Whitby	ON	CA	L1N 5R8

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."
☐ 2 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 LOMBARDI	451 LUCY
Last name	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.

CLIENT COPY



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 Ellexicon Energy Inc.	Enter one of the following: Business number (BN) Social insurance number (SIN)	
Tax year From: 2019-04-01 Year Month Day To: 2019-12-31 Year Month Day		
050 Total number of projects you are claiming this tax year: 6		
100 Contact person for the financial information [Redacted]	105 Telephone number/extension (905) 427-9870	110 Fax number (905) 668-6598
115 Contact person for the technical information [Redacted]	120 Telephone number/extension (905) 427-9870	125 Fax number (905) 668-6598

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.																																				
<table><tr><td>153</td><td>Names of the partners</td><td>156</td><td>%</td><td>157</td><td>BN or SIN</td></tr><tr><td>1</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>2</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>3</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>4</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>5</td><td></td><td></td><td></td><td></td><td></td></tr></table>	153	Names of the partners	156	%	157	BN or SIN	1						2						3						4						5					
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 ☒ 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)

• 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	+	792,851
b) Specified employees for work performed in Canada	305	+	
Subtotal (add lines 300 and 305)	306	=	792,851
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	+	
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)

• Capital expenditures for depreciable property available for use **before 2014**
(Do not include these capital expenditures on schedule T2SCH8)

Total allowable SR&ED expenditures (add lines 380 and 390)

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

Amount from line 400

Deduct

• provincial government assistance for expenditures included on line 400	429	–	27,750
• 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	–	40,473
• sale of SR&ED capital assets and other deductions	440	–	
Subtotal (line 420 minus lines 429 to 440)	442	=	724,628

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	=	724,628

• Deduction claimed in the year
(Corporations should enter this amount on line 411 of schedule T2SCH1)

Pool balance of deductible SR&ED expenditures to be carried forward to future years (line 455 minus 460)

* 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)		Current Expenditures	Capital Expenditures
Total expenditures for SR&ED (from lines 380 and 390)	492	792,851	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 +	381,276	
• 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 =	1,174,127	512 =
Deduct (see note 4)			
• provincial government assistance	513 -	41,094	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 -		
• 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 =	1,133,033	558 =
Qualified SR&ED expenditures (add lines 557 and 558)			559 = 1,133,033
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 = 1,133,033

* 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 +	792,851

Deduct

Bonuses, remuneration based on profits, and taxable benefits that were included on line 810	812	–	99,622

Subtotal (line 810 minus 812)	814	=	693,229

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	=	693,229

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** = 381,276

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	Cost of materials in the tax year	Contract expenditures for SR&ED performed on your behalf in the tax year
		(Total of lines 306 to 309)	(Total of lines 320 and 325)	(Total of lines 340 and 345)
1.	P1: Distribution system automation (to minimize faults/outa	302,427		
2.	P2: Operations Information Systems improvements	172,228		
3.	P3: System planning & analysis for improvements to the dist	183,253		
4.	P4: Developing and applying Smart Grid (SG) concepts, tech	66,905		
5.	P5: Mobile Workforce Management System (MWFMS) design	14,533		
6.	P6: Improved Engineering project Design/Analysis through C	53,505		
Total		792,851		

Part 7 – Additional information

Expenditures for SR&ED performed by you in Canada (line 400 minus lines 307, 309, 340, 345, and 370) **605** 792,851

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	8
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 ☒
2. entered the method you have chosen for reporting your SR&ED expenditures in Section A of Part 3 ☒
3. completed Part 2 for each project ☒
4. filed a completed Schedule T2SCH31 or Form T2038(IND) to claim ITCs on your qualified SR&ED expenditures ☒
5. filed a completed Form T1145*, T1146**, T1174*** and/or T1263**** including any required attachments, if applicable ☒

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* ☒
2. filed the appropriate provincial and/or territorial tax credit forms, if applicable ☒
3. retained documents to support the SR&ED work performed and SR&ED expenditures you claimed ☒
4. checked boxes 231 and 232 on page 2 of your T2 return to indicate attachment of Form T661 and Schedule T2SCH31 ☒

* 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 ☒ 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. Under separate cover by Deloitte LLP					
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, Lucy Lombardi, 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 2020-06-30
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 Lucy Lombardi

Name of authorized signing officer of the corporation, or individual

Signature

170 2020-06-30

Date

175

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)			
P1: Distribution system automation (to minimize faults/outag			
202 Project start date	204 Completion or expected completion date	206 Field of science or technology code (See guide for list of codes)	
2015-05	2022-12	2.02.01 Electrical and electronic engineering	
Year Month Year Month			
Project claim history			
208 1 ☒ 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 ☒ 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)

1. The obstacles to be resolved were all connected with completing the
2. installation of the balance of the 5 U/G switches, testing them individually
3. and then networking, and integrating their operations/communications within
4. VCI's SCADA system. As the items involved were all new to VCI (now Ellexicon)
5. and had to be installed on, within or adjacent to the existing facilities,
6. physical limitations and accessibility issues were constraints in practically
7. every case. More specifically the obstacles were:
8. (1) Determining, for the U/G switch installations yet to be finished, the
9. site specific design modifications to the base design used for the first
10. partially completed installation, taking into consideration, as needed,
11. locational and surrounding terrain constraints, potential foundation redesign
12. for below grade installation, possible provision of a foundation for the low
13. voltage control unit to be located above grade, and adding both drainage and
14. sump pumping capability to deal with anticipated water incursions.
15. (2) Understanding why any installed U/G switch unit malfunctions and
16. developing solutions to eliminate any re-occurrence.
17. (3) Integrating all 9 U/G switches and the 9 O/H switches with the SCADA
18. system with intelligence that control the operation of the U/G units and O/H
19. switches, with reliable, fail-safe communications.
20. (4) Deciding what spare parts and modules should be provided to support the
21. pilot after it goes live.
22. (5) Conceiving and planning how the DAS pilot would be brought into service
23. after the balance of the 18 switches were installed, and their operation
24. verified on a standalone basis.
25. (6) Establishing what monitoring and reporting was required to establish the
26. reliability performance improvements that were actually achieved its
27. operation.
28. While Ellexicon was used to operating switches remotely through its SCADA
29. system tool, it would be a new mode of network operations for local automated
30. switch operation to be performed on its own without any centralized
31. intelligence or SCADA intervention. Radio survey and placement of Radios and
32. RUT were essential part of the project to attempt to meet the SCADA
33. communication requirement. However communication to SCADA was a challenge due
34. to obstructions and an alternate solution was sought. New for 2019 was a
35. further expansion of 3 networked switches in Whitby and work required to
36. determine how to integrate them into the merged SCADA system and ensure
37. reliable communications.

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. Previously, VCI (now Ellexicon) had made detailed installation designs for the
2. set of 9 automated intelligent O/H switches and 9 U/G switches and their
3. installation & testing on a standalone basis. VCI had also designed &
4. implemented the IT infrastructure arrangements and radio communication system
5. using a separate IP network, after deciding how to route information from O/H
6. switch to U/G switchgear and vice versa, and on communications with the SCADA
7. system master. Software was upgraded and tested under various system
8. loading scenarios. Ellexicon has continued work for the firmware upgrade.
9. Communication upgrades and testing of the field devices to meet the software
10. and self-healing system requirements was undertaken. Ellexicon is subsequently
11. in the process of creating new standard operating procedures line and the
12. system control center; with a specific focus on in-fault and post-fault
13. analysis.
14. DAS pilot efforts continued. However, component replacements were necessary
15. to move to the next stage in which the DA pilot would be capable of running
16. on its own and opening and closing switches based upon distribution network
17. grid events. Testing on a standalone switch basis continued to verify
18. communications linkages with the SCADA system. This work had led to a

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)

19. decision to replace a below grade switchgear with a pad mounted switchgear at
20. grade. Efforts towards conducting the DA pilot to go live continued without
21. this unit in place. New pad mounted switch gear unit was installed and we
22. continued to attempt to develop a self-healing system configuration. This
23. work is now considered complete.
24. Throughout the development period, we worked on SCADA programming for the
25. self-healing system, so that if there is a power-loss, then the switch will
26. identify there is a power loss, and the power will re-route automatically.
27. We also continued working on the SMART portion of this pilot trial all year.
28. The system went live for testing in earlier fiscal periods, and while it
29. appeared to work well; the self-healing switches had required additional
30. development. Reprogrammed the self-healing team using most updated
31. technology to achieve better functionalities. This upgrade allows Elexicon
32. engineers to remotely control and reconfigure/ reroute the system devices
33. without going in to the field. This work is now considered complete. This
34. work is now considered complete.
35. We continued working on the SMART portion of the pilot trial. We further
36. continued with ongoing reprogramming activities based on system changes, as a
37. part of continuous improvement where the feedback from the prior trial
38. results acted as an input for subsequent improvement. This work was completed
39. early in the fiscal period. To track the improvements and the benefits of the
40. changes (due to reprogramming); we performed the required testing's using
41. simulation software. Testing continued on the functionality of Automatic
42. Restoration System and approved by Elexicon. Failures were noted,
43. modifications made and testing repeated. In FY2018 the self-healing system
44. was revised to attempt to accommodate newly installed switches and a future
45. extension of the scope of functionality. This work is now considered complete.
46. Other 2019 work included adding radio repeaters and revising switch antenna
47. heights to attempt to avoid communication losses of SCADA. A radio survey was
48. subsequently conducted and modifications . Revisions to procedures and
49. standards will remain ongoing.

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 advancement sought was to increase the understanding and the application
2. know-how; to implement distribution automation system (DAS) concepts with
3. intelligent switches to improve reliability performance in an area whose
4. performance was continuing to deteriorate. VCI wanted to use groups of
5. switches, incorporating automatic sensing and operation, to sense/isolate
6. faults, and then restore power to unaffected parts of the local network.
7. Elexicon had examined the issues, challenges and obstacles associated with a
8. DAS pilot for the 13.8kV O/H lines and U/G cables on the 4-feeders. Its
9. analysis indicated an improvement potential to go to 24.4 minutes from 72.3
10. minutes/customer/year. Other notable achievements included: S&C self-healing
11. system - firmware upgrade, reprogramming SCADA redundancy and back up control
12. room as well as mobile SCADA control room. In FY2019 further advancements
13. were achieved with [REDACTED] software and system self-configurable based
14. solutions; The ability to accommodate future addition of the switches in the
15. self-healing system; the knowledge of repeater locations, orientations and
16. configurations; and improvement methodologies to attempt to achieve greater
17. reliability of communication paths.



Section C – Additional project information

Who prepared the responses for Section B?

253	1 ☒ Employee directly involved in the project	254	Name [REDACTED]
255	1 ☐ Other employee of the company	256	Name
257	1 ☒ External consultant	258	Name Deloitte LLP
		259	Firm Deloitte LLP

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

260	Names	261	Qualifications/experience and position title
1	[REDACTED]		[REDACTED]
2	[REDACTED]		[REDACTED]
3	[REDACTED]		[REDACTED]

265 Are you claiming any salary or wages for SR&ED performed outside Canada? 1 ☐ Yes 2 ☒ No

266 Are you claiming expenditures for SR&ED carried out on behalf of another party? 1 ☐ Yes 2 ☒ No

267 Are you claiming expenditures for SR&ED performed by people other than your employees? 1 ☐ Yes 2 ☒ No

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

268	Names of individuals or companies	269	BN
1			

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 ☒ Records of resources allocated to the project, time sheets	277	1 ☒ Test protocols, test data, analysis of test results, conclusions
272	1 ☐ 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 ☐ Contracts
275	1 ☐ Records of trial runs	281	1 ☒ Others, specify 282 emails

Part 2 – Project information (continued)

Project number 2

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)			
P2: Operations Information Systems improvements			
202 Project start date		204 Completion or expected completion date	
2015-01		2022-12	
Year Month		Year Month	
		206 Field of science or technology code (See guide for list of codes)	
		2.02.01 Electrical and electronic engineering	
Project claim history			
208 1 ☒ 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 ☒ 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)

1. Interfacing the OMS tool to various other systems, was still a concern. The
2. OMS/GIS interface still needed to be verified from additional testing and
3. experimentation continued with improvements in customer communication by
4. interfacing with social media, phone systems and email systems. The
5. improvement contribution from using an Enterprise Service Bus (ESB) and
6. whether one was worth implementing was a continuing uncertainty that would
7. not be resolved until a solution was completed and the next interface
8. initiated. Progress continued on enhancement of the GIS to improve
9. performance, as well as to create operating geo-schematics directly from the
10. GIS. This would add greater uncertainty in understanding how to interface two
11. distinctly different GIS systems from two different vendors and in
12. manipulating schematic engines into providing the desired result. In
13. addition, paper mapping processes in the system control centre were very
14. inefficient and no industry solution could be found to eliminate these paper
15. maps altogether.
16. In 2018 various updates to existing applications were required, [REDACTED]
[REDACTED] and various other
18. enhancements. The DMB (Digital Map Board) application provided some unique
19. challenges in requiring maps at different scales and pixel density to be
20. displayed on a single continuous interface. VCI (now Ellexicon) attempted to
21. overcome many of these challenges by caching at various resolutions,
22. reconfiguring schematics, and devising software tools to attempt to allow for
23. quick high quality zooming, leading to the conversion of almost all
24. distribution level maps. However, there are still some challenges with
25. regards to operating level maps. The pixel density of the hardware itself has
26. become an issue. VCI has tried multiple hardware configurations in an attempt
27. to resolve this, so far with no success.
28. In 2019, work continued on attempting to optimize map services. Specifically,
29. a new caching scheme was devised for incremental caching such that the entire
30. map is cached into bitmaps and served to consumers (similar to web mapping
31. applications), but then changes were incrementally cached on demand when
32. detected. While still in development, this new mechanism, along with the new
33. vector caching function introduced by Esri has been very promising. There are
34. still issues to overcome such as how to cache layers incompatible with vector
35. caching such as annotations. There is currently no known industry solution
36. for this problem when using a hybrid GIS system such as VCI (now Ellexicon) is
37. using.

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. Though development continued on the existing GIS viewer and new features were
2. added, because Microsoft has ended support of its [REDACTED]
3. (on which the GIS viewer was build) it was decided that the application would
4. be re-written as a windows 10 universal application, whose code can also be
5. used in conjunction with [REDACTED] to deploy to IOS and Android in the future.
6. Development on this began in 2016 with the plan to be deployed in later
7. fiscal periods. The deployment of the application was delayed, in part due to
8. resource constraints, and in part due to performance issues of several
9. aspects of the application. However, several trials were conducted with the
10. underlying GIS software to improve performance - this work would extend into
11. 2018 and 2019.
12. Because of a pending merger and because of a major set of breaking API
13. changes from a vendor, progress on the new GIS application was paused for
14. 2018, however some development was required to keep the aging [REDACTED]
[REDACTED] functional such as [REDACTED]
[REDACTED] and adding support for vector tiles. Because the GIS vendor
17. [REDACTED] behind the application has been deprecated by the vendor,
18. these features had to be manually ported back to the application by VCI.

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)

19. These activities were continued into 2019, but were paused because of the
20. pending merger, and because of a fundamental change in APIs that were
21. supporting this application. It will be picked up again in 2020 to provide a
22. new unified GIS viewer for the new company.
23. Enhancements to the schematics solution included adding the ability to have
24. multiple schematic diagrams for a single area to accommodate different
25. switching maps. This involved engineering and use of undocumented features in
26. the Esri Schematics schema. This work continued into 2018 with the addition
27. of a new custom built and designed app to replace the paper maps in the
28. system control centre with a 'digital map board', with deployment and field
29. testing. Migration of existing schematics was continued through 2019, with
30. the porting of a switching map (44kV Ajax Pickering switching map), which
31. presented several new problems due to the difference in scaling and the
32. geographic overlap with the existing distribution maps. Again this work will
33. be resumed post merger.
34. The first version of the Digital Map Board was successfully launched in 2018
35. and work continued to enhance and expand its use. Almost all distribution-
36. level paper maps were ported to the new system and work begun on migrating
37. switching maps as well, though new challenges arose from that work as
38. described above. A new version to the digital map board was begun to be
39. developed in 2019 that would bring [REDACTED] the GIS data
40. and the digital map board, enabling the digital map board [REDACTED]
[REDACTED]
42.

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. We have continued to incrementally add capability in the interface between an
2. ESRI (new) GIS system with the (existing) [REDACTED] system - grafting two
3. distinct, somewhat incompatible GIS systems together in order to take
4. advantage of the strengths of each. We also successfully developed, tested
5. and deployed to public beta a customer outage notification system that now
6. interfaces not only with twitter, email, and web systems but also directly to
7. customers via SMS and text to speech voice calls.
8. Development is nearly complete on a rebuild of the [REDACTED] which
9. will enable us to reuse the vast majority of client-side code to redeploy to
10. IOS and Android in the future.
11. In addition, the development of a new robust digital map board application
12. allowed us to gradually replace paper mapping processes with more reliable,
13. efficient and robust digital processes.
14. VCI unfortunately had to abandon much of the work performed on the rebuild of
15. the GIS viewer, however the development effort was not wasted: much of the
16. inking and mapping code was ported to the new Digital Map Board (DMB)
17. application, which was launched successfully in the system control centre.
18. Because the DMB application requires close to 100% up-time, improvements have
19. been incrementally added to the communications module to address synching
20. issues, many of which were discovered during a 'disaster' recovery scenario
21. in the main office.
22. With the continued incremental improvements to the DMB and the GIS caching,
23. the process has become more streamlined and is now ready to be passed on as a
24. regular part of business to non-technical users. This will occur in 2020 as
25. the structure of the organization continues to change.



Section C – Additional project information

Who prepared the responses for Section B?

253	1 ☒ Employee directly involved in the project	254	Name [REDACTED]
255	1 ☐ Other employee of the company	256	Name
257	1 ☒ External consultant	258	Name Deloitte LLP
		259	Firm Deloitte LLP

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

260	Names	261	Qualifications/experience and position title
1	[REDACTED]		[REDACTED]
2	[REDACTED]		[REDACTED]
3	[REDACTED]		[REDACTED]

265 Are you claiming any salary or wages for SR&ED performed outside Canada? 1 ☐ Yes 2 ☒ No

266 Are you claiming expenditures for SR&ED carried out on behalf of another party? 1 ☐ Yes 2 ☒ No

267 Are you claiming expenditures for SR&ED performed by people other than your employees? 1 ☐ Yes 2 ☒ No

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

268	Names of individuals or companies	269	BN
1	[REDACTED]		

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 ☒ Records of resources allocated to the project, time sheets	277	1 ☒ Test protocols, test data, analysis of test results, conclusions
272	1 ☐ 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 ☐ Contracts
275	1 ☐ Records of trial runs	281	1 ☒ Others, specify 282 emails

Part 2 – Project information (continued)

Project number **3**

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)			
P3: System planning & analysis for improvements to the distr			
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	2020-12 Year Month	2.02.01	Electrical and electronic engineering
Project claim history			
208 1 ☒ 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 ☒ 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)	
1. Ellexicon faces a number challenges with regards to its distribution network.	
2. These challenges include: Its network's ability to accept the connection of	
3. new residential, commercial and industrial loads; How to reinforce or augment	
4. the network based on existing loading, and deteriorating reliability issues,	
5. to create longer term plans for servicing future expected growth areas and	
6. reliability performance improvements; Making proper load switching decisions	
7. for station outages due to maintenance given existing loading conditions,	
8. and; Its network's ability to accept FIT and micro-FIT sustainable generation	
9. connection applications approved by the OPA.	
10. At the core of resolving all these challenges is the need for an accurate	
11. picture/model of the network in its current state. Such models are	
12. invaluable to investigate and accurately assess the impact of accommodating	
13. any of the above proposed changes in network capability and capacity.	
14. Even with an existing set of models of the configuration carried over from	
15. prior years, a specific challenge is to meet the essential need to keep the	
16. models up-to-date so that they continue to reflect the status quo. Ideally,	
17. GIS downloads, either manually or automatically, facilitate model updating.	
18. Ellexicon relies on manual updates. If updating is not done, the results of	
19. studies and simulation runs in terms of impacts of proposed changes is	
20. compromised. Even if up-to-date models are available for simulation studies	
21. to investigate capacity/capability issues, another important factor is that	
22. the network improvement proposals (that results from system planning and	
23. analysis activities) have to be both technically sound and cost effective.	
24. This challenge usually means that all the solution candidates identified as	
25. possibilities need to be investigated in detail before a preferred solution	
26. emerges from the modeling and simulation efforts that identified them in the	
27. first place.	
28. With older areas, when modeling and simulation is being used to identify	
29. options from improving reliability performance, the other factor that has to	
30. be incorporated in the analysis is that of refurbishment or replacement of	
31. the existing infrastructure.	
32.	

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. FY2019:	
2. As per the previous fiscal periods, the main focus of modeling and simulation	

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)

3. efforts continued on improving the configuration and performance of the
4. network in the Ajax area. The area model was first updated before
5. simulations were run. The Ajax area has the most complex network arrangements
6. with deteriorating infrastructure and reliability performance. Unjacketed,
7. direct buried cables with brittle neutrals are failing and these failures
8. continued to be the driver of efforts to consider adding another transformer
9. station, coupled with the possibility of using cable refurbishments with
10. injections of insulating fluid. Ellexicon continued experimentation with
11. refurbishing failing cables with the injection of insulating fluid and tested
12. adding a cable condition test to attempt to evaluate the methodology -
13. analysis and modifications will follow in subsequent fiscal periods.
14. The existing system models were used to investigate potential improvements in
15. the Belleville, Brockville and Clarington areas of VCI's service territory;
16. however no significant improvement opportunities were identified. Work was
17. spread across all districts to ensure the distribution network would continue
18. to operate well and not offer undue reliability risks. Loading was assessed
19. and potential projects were developed to improve areas with limitations to
20. growth and/or operational concerns such as inability to backup areas from
21. other surrounding supply points. In our Whitby Service Area Ellexicon has been
22. working to establish an electrical system model to enable load flow
23. calculations to be conducted . At this time the work is not completed and
24. this will continue in 2020 .
25. We also continued work on developing new load forecasts (taking into account
26. the impact of embedded generation); long term planning for a new Transformer
27. Station south of the proposed airport land; as well as fault-level modeling.
28. Fault-level modeling is required when modeling and assessing the impact of
29. proposed units of distributed generation - that would be embedded inside the
30. Ellexicon system. While mainly Solar PV proposals were involved, some wind and
31. bio-gas proposals were included in the portfolio to be reviewed. As
32. referenced already, particular attention was paid to the predicted response
33. of these proposed generators under fault conditions. Each application
34. requires thorough analysis of impacts to system reliability and the stability
35. of the supply voltage. As part of our system modelling improvements the model
36. has been updated to include all possible generation technologies,
37. jurisdictions (former Veridian and Whitby area) and GIS systems - This would
38. extend into 2020.
39. Decisions are also involved about monitoring and control requirements when
40. large capacity DG units are being proposed. As there are some known
41. constraints that Hydro One has imposed on parts of the existing system, like
42. acceptable DG penetration rates per feeder, Ellexicon needs to manage and deal
43. with them. While these requests are still being managed on a case-by-case
44. basis, it is anticipated there will be a future need to develop new protocols
45. as the distributed generators embedded in the Ellexicon system become
46. increasingly common.
47. Also, continuing from previous periods we performed further work with the
48. generator study, to predict their responses under fault conditions. We also
49. continued with our analysis for creating new applications of the generators.
50. Special attention was paid to develop the predicted response of these
51. generators under fault conditions; where each application required thorough
52. analysis of the impacts to system's reliability and the stability of the
53. supply voltage. Other ongoing activities included: Protection settings and
54. coordination studies; Developed and programmed for SCADA monitoring and
55. control; and P&C work on renewable generation alternatives.

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. They are, in general, a set of proposed improvements to the current
2. configuration and facilities of a distribution network - across an

3. unconsolidated service territory - that have been developed for each specific
4. area and district from the modeling and analysis studies undertaken with a
5. specialized simulation S/W tool. These proposed improvements are typically
6. the results of analyzing aspects such as: Feeder layout in an area to
7. determine new transformer locations to maximize operational flexibility and
8. minimize losses; Servicing requirements of a new proposed development to
9. understand the best connection plans to the network such as that for the
10. proposed Seaton community investigated last year through multiple analyses of
11. voltage levels and fault currents to estimate increased loading and supply
12. options with existing and possible new feeders; Substation loading across
13. Elexicon's service territories to assess its network's operability with
14. certain substations being off-line; The network's ability to handle
15. new/expanded commercial/industrial loads; Evaluation and impact analysis of
16. new distributed/embedded generators being proposed to feed into the Elexicon
17. network as a consequence of the Green Energy and Green Economy Act (GEGEA)
18. Feed-in-Tariff (FIT) and micro-FIT programs; and Examining how areas with
19. older, aging infrastructure can be reconfigured or reinforced using
20. predictive modeling/forecasting to mitigate the impacts of possible
21. substation failures during peak load times on customer service and system
22. stability, to prepare contingency operational plans to prepare Elexicon's
23. response in the event of failures, and to reduce the incidence of outages.
24. With a set of models for all sections of its service territory - from the
25. 44kV through 4.16kV levels - of its existing configurations, Elexicon had the
26. basis to investigate potential changes to deal with, for example, the impact
27. of load changes, potential solutions to segments of the network with chronic
28. problems, in order to improve its distribution system performance from the
29. perspectives of reliability, balanced loading, level of losses and delivered
30. power quality.

Section C – Additional project information

Who prepared the responses for Section B?

253	1 ☐ Employee directly involved in the project	254 Name	
255	1 ☐ Other employee of the company	256 Name	
257	1 ☒ External consultant	258 Name	259 Firm
		Deloitte LLP	Deloitte LLP

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

260	Names	261	Qualifications/experience and position title
1			
2			
3			

265	Are you claiming any salary or wages for SR&ED performed outside Canada?	1 ☐ Yes	2 ☒ No
266	Are you claiming expenditures for SR&ED carried out on behalf of another party?	1 ☐ Yes	2 ☒ No
267	Are you claiming expenditures for SR&ED performed by people other than your employees?	1 ☐ Yes	2 ☒ No

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

268	Names of individuals or companies	269	BN
1			



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	☒	Records of resources allocated to the project, time sheets	277	1	☒	Test protocols, test data, analysis of test results, conclusions
272	1	☐	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	☐	Contracts
275	1	☐	Records of trial runs	281	1	☒	Others, specify
				282			Emails

Part 2 – Project information (continued)

Project number 4

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)

P4: Developing and applying Smart Grid (SG) concepts, techni

202 Project start date

2017-01

Year Month

204 Completion or expected completion date

2022-12

Year Month

206 Field of science or technology code
(See guide for list of codes)

2.02.01

Electrical and electronic engineering

Project claim history

208 1 ☒ 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 ☒ 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)

1. VCI (now Ellexicon) had developed a better understanding of the Ontario SG
2. Forum's SG definition as one that ""uses sensors, monitoring, communication,
3. automation and computers to improve the flexibility, security, reliability,
4. efficiency and safety of the electricity system"", and Ontario's Green Energy
5. & Green Economy Act requirements. It reviewed how existing tools/practices
6. and those under development could be incorporated into a VCI specific SG
7. framework. In addition, VCI had investigated: (1) the state-of-the-art in SG
8. technologies; (2) actual and proposed SG-like innovations already available;
9. (3) the principal drivers for SG efforts and their impact on work either
10. undertaken or still in progress at VCI. From the data collected and
11. analyzed, a preliminary approach was developed to deploy SG concepts,
12. techniques, methodologies & related equipment. It was not, however, taken to
13. the detailed level of a Green Plan and uncertainties persisted. Smart
14. Community Microgrid project was subsequently determined to be a test bed for
15. the company for deployment of DERs for grid benefits, islanding and grid
16. connected microgrid assets for added resiliency, EV charging profiles and
17. growth in the community, etc. Testing these constructs and identifying
18. operational procedures in this environment would lead to more confidence
19. within the utility to promote and plan for higher adoption of DERs and EVs,
20. rather than having an aversion for them. The uncertainties of the activity
21. would be associated with whether residents would have sufficient system
22. intelligence and analytics to better manage their energy needs and challenges
23. with and viable solutions for deploying a smart energy community in Ontario,
24. given its unique electricity grid and standards.

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. Veridian (now Ellexicon) has started working on the Smart Community Microgrid
2. (SCM) project in early FY2018. SCM is a demonstration project designed &
3. developed together with the City of Pickering, Marshall Homes (the
4. developer), Opus One Solutions (technology partner). It is intended that this
5. would result in efficient energy use, decrease in GHG consumption from
6. reduced electricity required from the grid & lowering usage at home using
7. smart appliances & thermostats. The community would generate clean
8. electricity during the day & store electricity during the night when GHG
9. based electrons are at its lowest. Resiliency against loss of power (grid
10. failure) increased due to self-generation & storage for community purposes.

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)

11. The site for the project is currently under development for 27 townhouses and
12. includes the energy storage, roof top solar, EV charging station, GridOS
13. Distributed Energy resources management system (DERMS) to provide an
14. innovative approach to community development to provide resiliency, energy
15. conservation and demand management for the residents and electric utility
16. respectively. In FY2019 the extensive work continued on the site design,
17. equipment specifications were prepared and a microgrid developed and initial
18. DERMS software and interface with community storage and generation devised.
19. DERMS installation and testing was performed in a laboratory environment
20. using actual feeder parameters. Actual field work of installation and
21. construction and design is in progress.

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. Ellexicon sought to acquire the knowledge and capabilities it needed to deploy
2. and implement a range of Smart Grid concepts and technologies across its
3. existing distribution network to transition it to one that has a fully
4. intelligent infrastructure with:
5. (1) Compatible, durable and reliable equipment with built-in sensing and
6. intelligent electronic devices for monitoring, fault diagnosis, and self-
7. restoration capabilities.
8. (2) Fail-safe, robust, fast, high band-width, 2-way advanced communications
9. from customers to the grid control center.
10. (3) Centralized monitoring and control utilizing integrated data bases for
11. customer information, for asset records including their geographic locations,
12. for the management of outages, for grid operations and for making physical
13. changes to the grid infrastructure.
14. (4) Informed & intelligent operators and customers regarding electricity use
15. and the assets for local generation, distribution & storage and initiatives
16. to facilitate wise consumption for system-wide benefits; and
17. (5) Unrestricted capability to accommodate, plug-in hybrid electric vehicles
18. (EV), distributed generation (DG), and potentially energy storage. In
19. summary, an SG is one that supports the 2-way flows of electricity, data &
20. information.
21. To date, we have advanced our knowledge and general understanding on:
22. (A) the applicability of different types & capabilities of SG systems and
23. equipment - either currently commercially available or at a prototype stage -
24. to permit their evaluation with a view to establishing a set of preferred
25. concepts, techniques and methodologies that VCI could implement;
26. (B) facilitating system reliability improvements via reduced outages and
27. quicker response times and adding more visibility to the system;
28. (C) making more efficient use of existing infrastructure and reducing losses;
29. (D) empowering customers to participate in conservation; and
30. (E) Progressing towards the transition to a SG.
31. (F) Smart Community Microgrid development - understanding grid benefits,
32. islanding and grid connected microgrid assets for added resiliency, EV
33. charging profiles and growth in the community, etc. The unique methods and
34. techniques required for system intelligence and analytics would result in a
35. considerable knowledge gain.



Section C – Additional project information

Who prepared the responses for Section B?

253	1 ☐ Employee directly involved in the project	254	Name	
255	1 ☐ Other employee of the company	256	Name	
257	1 ☒ External consultant	258	Name	259 Firm
			Deloitte LLP	Deloitte LLP

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

260	Names	261	Qualifications/experience and position title
1			
2			
3			

265 Are you claiming any salary or wages for SR&ED performed outside Canada? 1 ☐ Yes 2 ☒ No

266 Are you claiming expenditures for SR&ED carried out on behalf of another party? 1 ☐ Yes 2 ☒ No

267 Are you claiming expenditures for SR&ED performed by people other than your employees? 1 ☐ Yes 2 ☒ No

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

268	Names of individuals or companies	269	BN
1			

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 ☒ Records of resources allocated to the project, time sheets	277	1 ☒ Test protocols, test data, analysis of test results, conclusions
272	1 ☐ 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 ☐ Contracts
275	1 ☒ Records of trial runs	281	1 ☒ Others, specify 282 E-mails

Part 2 – Project information (continued)

Project number **5**

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)

P5: Mobile Workforce Management System (MWFMS) design, devel

202 Project start date

2015-01

Year Month

204 Completion or expected completion date

2021-12

Year Month

206 Field of science or technology code
(See guide for list of codes)

2.02.01

Electrical and electronic engineering

Project claim history

208 1 ☒ 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 ☒ 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)

1. For a MWFMS (Mobile Workforce Management System) to be an effective tool for
2. VCI (now Ellexicon), it must be integrated with a diverse range of existing
3. tools and systems which include [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED] among others. VCI was challenged to define processes encompassed by
7. these systems and where mobile computing could benefit them, and devise
8. methods of interfacing such systems and processes to meet the project's
9. objectives for VCI's MWFMS.
10. As per previous fiscal periods, the emphasis continued to be on the software
11. side of the MWFMS with a stated purpose of customizing existing available
12. commercial S/W tools to the maximum extent possible. The key obstacle that
13. VCI faced was resolving interface issues of candidate tools with its existing
14. suite of tools and systems.
15. Much effort was needed in a back-and-forth process with the CIS vendor to
16. integrate with their yet-in-development business layer to allow interfaces.
17. Once this interface was tested and complete, remaining workflows were
18. developed and piloted with the metering group, as well as iteratively refined
19. as per their requirements
20. Due to the pending merger, and the difficulty with interfacing with the CIS
21. vendor, work on the MWFM metering solution was paused. Small incremental
22. improvements were made, and investigation continued into hardware solutions
23. to accommodate unique workflows for field crews. Solutions were found, using
24. a partner, for large bucket trucks but there are still solutions being sought
25. for regular half-ton vehicles.

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. FY2019 - activities:
2. VCI continued to work with the CIS vendor to test/direct development of a
3. business layer with which to interact. This involved several iterative
4. development and test cycles. Once the business layer was completed to an
5. acceptable level, development of the meter install workflow continued and was
6. piloted, tested and iteratively improved with the end users.
7. In addition, there were some issues with the trouble call workflow. The
8. workflow was designed to infer the assets that were damaged and replaced
9. based on as little input as possible from field crews. There were some

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)

10. scenarios discovered where the software was incorrectly identifying assets

11. and so there was some significant re-engineering required to correct the

12. issues. Work continued to refine the accuracy and detail of the trouble

13. calls, enabling cleaner data that was subsequently used for more detailed

14. analytics on tree trimming activities.

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. It is the capability to achieve increased back office & field resource

2. efficiencies through the development & implementation of enhanced

3. office/field communications using MWFMS. The objectives established for the

4. MWFMS were to:

5. (1) improve safe vehicle use and efficiency through a combination of software

6. & hardware;

7. (2) reduce or eliminate paper-based communication of in-field conditions to

8. in-office personnel;

9. (3) improve customer experience through faster response times & consistent,

10. effective service;

11. (4) provide easier access to enterprise-wide information & ensure data

12. accuracy to/from the field ;

13. (5) improve visibility into workforce & workload for tactical & strategic

14. decisions; and

15. (6) assure flexibility and scale-ability through [REDACTED]

[REDACTED]

17. 2017 saw the expansion of [REDACTED] the middleware and

18. the involved systems, as well as the design and development of new workflow

19. to capture trouble calls. In addition, a new [REDACTED] was designed by a

20. vendor in cooperation with Veridian to accommodate [REDACTED] to capture

21. meter installations.

22. 2018 saw the improvement of the asset identification algorithms based on user

23. input as well as the refinement of the [REDACTED] delivered by the vendor in

24. cooperation with VCI.

25. [REDACTED] Ellexicon (VCI) continued

26. to advance the trouble call workflow to increase accuracy of the asset

27. identification algorithms.

Section C – Additional project information

Who prepared the responses for Section B?

253	1 ☒ Employee directly involved in the project	254 Name	[REDACTED]
255	1 ☐ Other employee of the company	256 Name	
257	1 ☒ External consultant	258 Name	259 Firm
		Deloitte LLP	Deloitte LLP

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

260	Names	261	Qualifications/experience and position title
1	[REDACTED]		[REDACTED]
2	[REDACTED]		[REDACTED]
3	[REDACTED]		[REDACTED]

265 Are you claiming any salary or wages for SR&ED performed outside Canada? 1 ☐ Yes 2 ☒ No

266 Are you claiming expenditures for SR&ED carried out on behalf of another party? 1 ☐ Yes 2 ☒ No

267 Are you claiming expenditures for SR&ED performed by people other than your employees? 1 ☐ Yes 2 ☒ No



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

268	Names of individuals or companies	269	BN
1			

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	☒	Records of resources allocated to the project, time sheets	277	1	☒	Test protocols, test data, analysis of test results, conclusions
272	1	☐	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	☐	Contracts
275	1	☐	Records of trial runs	281	1	☒	Others, specify 282 _emails

Part 2 – Project information (continued)

Project number **6**

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)

P6: Improved Engineering project Design/Analysis through Cus

202 Project start date

2012-09

Year Month

204 Completion or expected completion date

2020-02

Year Month

206 Field of science or technology code
(See guide for list of codes)

2.02.01

Electrical and electronic engineering

Project claim history

208 1 ☒ 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 ☒ 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)

1. For this project, we sought to improve our engineering standards and analysis
2. methods through the development and customization of various software tools.
3. A common problem when CAD software tools are being used to generate
4. engineering design drawings is the lack of a common methodology so that no
5. matter which designer prepares the drawings, all of the drawings released for
6. construction look the same, and use the same symbolism and conventions. The
7. problem exists in a single engineering office with multiple technical staff
8. creating drawings, and tends to be much worse when multiple offices are
9. involved working on the same multi-disciplinary project.
10. The obstacles/uncertainties faced going in were:
11. (1) Understanding the criteria that should be adopted to rationalize and
12. standardize the existing practices used across the design staff in the
13. Engineering Department using the AutoCAD S/W tool for design development with
14. their individual approaches, practices, subroutines/macros and symbolism;
15. (2) whether or not the scope of the design work for the CAD
16. initiative/methodology would cover would include all aspects of the
17. Engineering Departments activities and not just the areas already using
18. AutoCAD;
19. (3) Developing and verifying the testing protocols that should be used to
20. verify the components of the new methodology (s) and to ensure application
21. consistency across all of its users.
22. (4) Understanding how to capture/characterize all of the design inputs and
23. allow the model to be updated through testing.
24. (5) For [REDACTED] - We anticipated a CSA ruling that would mean that linear
25. evaluation for guying analysis would no longer be acceptable. We needed to
26. develop an approach to be able to perform non-linear analysis under a wide
27. range of loading conditions.

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 this project, we worked on two distinct activities:
2. The first project involved using AutoCAD to standardize existing engineering
3. practices, and this project continued from the prior fiscal period. A small
4. project team had been formed in previous fiscal periods, with representatives
5. from different areas to contribute their expertise to the definition and
6. specification of what the new methodology had to achieve, and what its
7. outputs had to deliver. Various sessions were held before the working

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)

8. documents were sufficiently detailed and a customizing solution in AutoCAD
9. format could be tested and trialed. Development of an AutoCAD template
10. continued through FY2018 and was subsequently completed. Work included
11. development of a custom layer structure and line types, tool palette, legend
12. file, and drawing templates, as part of the new methodology. Ongoing
13. development included modifying the interface between the AutoCAD template and
14. the GIS tools. A new initiative between Standards and GIS to resolve the
15. export/import between CAD and GIS drawings was undertaken and development
16. continues on a plugin or browser upgrade. This work takes a different
17. approach that may be more successful. It's intended to be a working solution
18. while a more feature rich product is devised. Development and customization
19. of software tools is now considered complete.
20. The second project involved working to develop a custom software package for
21. guying analysis. The goal was to develop a model where the physical
22. properties of pole-framing equipment could be incorporated into a client
23. file. Prior to this initiative starting, we had been doing linear analysis
24. in Excel. Our goal with the non-linear approach was to evaluate the pole-
25. loading as a whole. We develop a client-file that could be incorporated in
26. to the software for testing. Work continued to involve looking at all
27. equipment related to pole-framing, and inputting strengths for that
28. equipment. Framing standards were introduced and developed. The CAD
29. template, palette, and blocks library were modified through revisions driven
30. by user feedback and requests from Engineering management. In the course of
31. development we had devised overhead and underground & overhead construction
32. standards and associated policies; transitioned to CAD certified interfaces;
33. utilized [REDACTED] client file conversion to attempt to allow for dynamic
34. non-linear guying as required by CSA; continued to observed equipment failure
35. and investigated system modifications; ongoing development of in-house [REDACTED]
36. to CAD export tools and Inter-Utility Standards. This work is now considered
37. complete.

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. VCI (now Ellexicon) wanted to create, verify and validate a new methodology to
2. standardize the look and content of its digitally created engineering
3. drawings released for construction by either is internal line crews or
4. external line or specialist contractors. So it needed to acquire the
5. knowledge to do so. In addition, it wanted the new CAD tool, which would be
6. at the core of the new methodology, [REDACTED] so that the
7. preparation of W.O. packages could be made more efficient as well as more
8. consistent and understandable by the personnel who have to interpret the
9. drawings that these packages contain. As it did not have expertise in
10. developing solutions within AutoCAD, the tool it used for electrical drawing
11. production for infrastructure additions and modifications, VCI recognized at
12. the outset that it would likely need to obtain assistance from an external
13. specialist contractor. Progress towards achieving these advancements was
14. incremental over multiple fiscal periods, and further work would continue.
15. In addition, it VCI worked to develop a non-linear method for guying analysis
16. and load-modelling under a wide range of installation conditions. Many of the
17. objectives of this project have been met and development is considered
18. complete at this time. Future unique activities may form new SR&ED projects.



Section C – Additional project information

Who prepared the responses for Section B?

253	1 ☐ Employee directly involved in the project	254	Name
255	1 ☐ Other employee of the company	256	Name
257	1 ☒ External consultant	258	Name Deloitte LLP
		259	Firm Deloitte LLP

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

260	Names	261	Qualifications/experience and position title
1			
2			
3			

265 Are you claiming any salary or wages for SR&ED performed outside Canada? 1 ☐ Yes 2 ☒ No

266 Are you claiming expenditures for SR&ED carried out on behalf of another party? 1 ☐ Yes 2 ☒ No

267 Are you claiming expenditures for SR&ED performed by people other than your employees? 1 ☐ Yes 2 ☒ No

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

268	Names of individuals or companies	269	BN
1			

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 ☒ Records of resources allocated to the project, time sheets	277	1 ☐ Test protocols, test data, analysis of test results, conclusions
272	1 ☐ 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 ☒ Contracts
275	1 ☐ Records of trial runs	281	1 ☒ Others, specify 282 Emails

Federal Tax Instalments

Federal tax instalments

For the taxation year ended 2020-12-31

Business number

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.

Monthly instalment workchart

Date	Monthly tax instalments	Refund transferred to instalments	Instalments paid	Cumulative difference	Instalments payable
2020-01-31	21,967				21,967
2020-02-29	21,967				21,967
2020-03-31	21,967				21,967
2020-04-30	21,967				21,967
2020-05-31	21,967				21,967
2020-06-30	21,967				21,967
2020-07-31	21,967				21,967
2020-08-31	21,967				21,967
2020-09-30	21,967				21,967
2020-10-31	21,967				21,967
2020-11-30	21,967				21,967
2020-12-31	21,964				21,964
Totals	263,601				263,601

Quarterly instalment workchart

Date	Quarterly tax instalments	Refund transferred to instalments	Instalments paid	Cumulative difference	Instalments payable
2020-03-31					
2020-06-30					
2020-09-30					
2020-12-31					
Totals					

Instalment method

Indicate instalment method chosen [1-3] 1

1st Instalment base method

If payment of instalments other than quarterly instalments is delayed, indicate the MONTH in which you want them to begin (1=January, 2=February, etc.).

1

Select this box if you want the instalments to be calculated without taking the applicable threshold into account

☐

Quarterly instalments calculation

The corporation must meet requirements 1 to 5 to be eligible for quarterly instalments for a tax year.

- 1 – Is the corporation a Canadian-controlled private corporation (CCPC)? ☒ Yes ☐ No
- 2 – Did the corporation claim any deduction under the section 125, during either the current or previous year? ☐ Yes ☒ No
- 3 – Is the corporation's, or any of its associated corporations', taxable income for the current or previous year less than or equal to \$500,000? ☐ Yes ☐ No
- 4 – Is the corporation and any associated corporations' taxable capital employed in Canada for the current or previous year less than or equal to \$10,000,000? ☐ Yes ☐ No
- 5 – Does the corporation have a perfect compliance history in the last 12 months? ☐ Yes ☐ No

If you do not want to use the quarterly instalments option, select this box to go back to monthly instalments. ☐

1 – 1st Instalment base method

1st Instalment base amount (amount N below)	$263,601 \div 12 =$	<u>21,967</u>
	Monthly instalments required	<u>21,967</u>
Quarterly tax instalments required	$263,601 \div 4 =$	

2 – Combined 1st and 2nd instalment base method

Select this box if you want the first 2 payments* to be calculated without taking the applicable threshold into account? ☐

2nd Monthly instalment base amount

Indicate: Part I tax			
Part VI, VI.1 and XIII.1 tax	+		
Federal adjustment for amalgamation, winding up or transfer	+		
Provincial tax, other than Alberta, Québec and Ontario	+		
Ontario tax	+		
Provincial adjustment for amalgamation, winding up or transfer	+		
Total	=	$\div 12 =$	A
1/12 of estimated current year credits (M below /12)			<u>316</u>
		Each of the first two instalment payments	B
Total tax from N below		<u>263,601</u>	
Amount B above x 2	-		
	=	$263,601 \div 10 =$	<u>26,361</u>
		Each of the remaining ten instalment payments	<u>26,361</u>

2nd Quarterly instalment base amount

Indicate: Part I tax			
Part VI, VI.1 and XIII.1 tax	+		
Federal adjustment for amalgamation, winding up or transfer	+		
Provincial tax, other than Alberta, Québec and Ontario	+		
Ontario tax	+		
Provincial adjustment for amalgamation, winding up or transfer	+		
Total	=	$\div 4 =$	A
1/4 of estimated current year credits (M below /4)			<u>949</u>
		The first instalment payment	B
Total tax from N below		<u>263,601</u>	
Amount B above	-		
	=	$263,601 \div 3 =$	<u>87,867</u>
		Each of the remaining three instalment payments	

* It is the first payment if the quarterly instalments are applicable.

3 – Estimated tax method

Instalment base amount (amount N below)	$\div 12 =$	
	Monthly instalments required	
Quarterly tax instalments required	$\div 4 =$	

Instalment base calculation

Federal tax	1st instalment base method	Estimated tax method
Taxable income		
Calculation of tax payable		
Federal part I tax		
Recapture of investment tax credit	+	+
Refundable tax on a CCPC's investment income	+	+
Subtotal	=	= A
Deduction		
Small business deduction		
Investment corporation deduction	+	+
Federal tax abatement	+	+
Manufacturing and processing profits deduction	+	+
Non-business foreign tax credit	+	+
Business foreign tax credit	+	+
General tax reduction	+	+
Logging tax credit	+	+
Investment tax credit per Schedule 31	+	+
Eligible Canadian bank deduction	+	+
Qualifying environmental trust tax credit	+	+
Subtotal	=	= B
Federal tax summary		
Total part I tax payable (A minus B)		C
Part VI tax	+	D
Part VI.1 tax	+	E1
Part XIII.1 tax	+	E2
Parts I, VI, VI.1 and XIII.1	Total =	= F
Federal adjustments		
Adjustment for short taxation years multiplied by 365 and divided by the number of days in the year if less than 365	x <u>365 / 275</u>	x <u>365 / 365</u>
Subtotal	=	=
Federal adjustment for amalgamation, winding up or transfer	+	+ <u>N/A</u>
Total federal tax after adjustments	=	= G
Provincial tax		
Provincial/territorial tax other than Alberta, Québec and Ontario before provincial refundable tax credits	+	+ H
Ontario tax		
Income tax		
Corporate minimum tax paid (credited)	+ <u>201,463</u>	
Special additional tax on life insurance corporations	+	
Total Ontario tax	= <u>201,463</u>	+ <u>201,463</u> I
Harmonized provincial tax (H + I)		
Provincial/territorial tax other than Alberta and Québec before provincial refundable tax credits	= <u>201,463</u>	= J
Provincial adjustments		
Adjustment for short taxation years multiplied by 365 and divided by the number of days in the year if less than 365	x <u>365 / 275</u>	x <u>365 / 365</u>
Subtotal	= <u>267,396</u>	=
Provincial adjustment for amalgamation, winding up or transfer	+	+ <u>N/A</u>
Total provincial tax after adjustments	= <u>267,396</u>	= K
Total of tax before refundable credits**	= <u>267,396</u>	= L



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** [redacted]

Corporation's name

002 Ellexicon Energy Inc.

Address of head office

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

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

011 55 Taunton Road East

012 City Province, territory, or state
015 Ajax **016** ON

Country (other than Canada) Postal or ZIP code
017 **018** L1T 3V3

Mailing address (if different from head office address)

Has this address changed since the last time we were notified? **020** Yes ☐ No ☒

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

021 c/o 100 Taunton Road East

022 City Province, territory, or state
025 Whitby **026** ON

Country (other than Canada) Postal or ZIP code
027 **028** L1N 5R8

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 ☐

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

031 100 Taunton Road East

032 City Province, territory, or state
035 Whitby **036** ON

Country (other than Canada) Postal or ZIP code
037 **038** L1N 5R8

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

- ☒ 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 2019-04-01 **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 ☒

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 ☒

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

Is this the first year of filing after:
Incorporation? **070** Yes ☐ No ☒
Amalgamation? **071** Yes ☒ No ☐

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

Has there been a wind-up of a subsidiary under section 88 during the current tax year? **072** Yes ☐ No ☒

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

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

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

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

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

081 _____

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

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 ☒	9
Is the corporation an associated CCPC?	160 ☒	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 ☒	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 ☒	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 ☐	7
Does the corporation have any property that is eligible for capital cost allowance?	208 ☒	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 ☒	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over \$10,000,000?	234 ☒	
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?	☒	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?	☒	T1135
Did the corporation transfer or loan property to a non-resident trust?	☒	T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	☒	T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	☒	T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	☒	T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	☒	T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	☒	55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	☒	T2002
Has the corporation revoked any previous election made under subsection 89(11)?	☒	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?	☒	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?	☒	54

Additional information

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	Yes	☒	No	☐
Is the corporation inactive?	280	Yes	☐	No	☒
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	Electric Power Distribution in Canada		285	100.000 %
	286			287	%
	288			289	%
Did the corporation immigrate to Canada during the tax year?	291	Yes	☐	No	☒
Did the corporation emigrate from Canada during the tax year?	292	Yes	☐	No	☒
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 GIF	300	-212,338	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			
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) (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	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	376,712 C

Notes:

- 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.
- 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	376,712	x	415 ***	D	=	11,250	E

Passive income business limit reduction

Adjusted aggregate investment income from Schedule 7****	417	—	50,000	=	F
Amount C	376,712	x	Amount F	=	G
	100,000				

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	376,712 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) 428 376,712 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	275	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	275	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	275	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	P Income paid under clause 125(1)(a)(i)(B) to the corporation identified in column O ³	Q Business limit assigned to corporation identified in column O ⁴
	490	500	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)	.....	E
on page 4, whichever is the least	.....	F
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						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")					K x 30 2 / 3 %	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	Z
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")		
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)	2,659,014	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")	2,659,014	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 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) ▶ 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 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** 197,668

Total tax payable **770** 197,668 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780	67,982
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** 350,000

Labour tax credit for qualifying journalism organizations

Total credits **890** 417,982 ▶ 417,982 B

Balance (amount A minus amount B) -220,314

Refund code **894** 1 Refund 220,314

Direct deposit request

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

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

If the result is negative, you have 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.

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

Certification

I, **950** Lombardi **951** Lucy **954** CFO,VP,Regulatory Affairs

Last name

First name

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 2020-06-30
Date (yyyy/mm/dd)

Signature of the authorized signing officer of the corporation

956 (905) 427-9870
Telephone number

Is the contact person the same as the authorized signing officer? If **no**, complete the information below

957 Yes ☐ No ☒

958 Name of other authorized person

959 (905) 427-9870
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

Name of corporation contact	Exlexicon Energy Inc
Telephone number	(905) 427-9870

Effective interest date	Description (instalment remittance, split payment, assessed credit)	Amount of credit
	PILS instalments	350,000
Total amount of instalments claimed (carry the result to line 840 of the T2 Return)		<u>350,000</u> A
Total instalments credited to the taxation year per T9		<u>350,000</u> B

Transfer		Taxation year end	Amount	Effective interest date	Description
From:					
To:					
From:					
To:					
From:					
To:					
From:					
To:					
From:					
To:					



GENERAL INDEX OF FINANCIAL INFORMATION – GIF1

Form identifier 101

Corporation's name	Business number	Tax year end Year Month Day
Ellexicon Energy Inc.		2019-12-31

Opening balance sheet information

Account	Description	GIFI	Amount
Assets			
	Total current assets	1599 +	77,653,303
	Total tangible capital assets	2008 +	551,696,204
	Total accumulated amortization of tangible capital assets	2009 –	162,917,335
	Total intangible capital assets	2178 +	80,900,119
	Total accumulated amortization of intangible capital assets	2179 –	13,353,688
	Total long-term assets	2589 +	6,419,528
	* Assets held in trust	2590 +	
	Total assets (mandatory field)	2599 =	<u>540,398,131</u>

Liabilities			
	Total current liabilities	3139 +	85,331,432
	Total long-term liabilities	3450 +	234,966,055
	* Subordinated debt	3460 +	
	* Amounts held in trust	3470 +	
	Total liabilities (mandatory field)	3499 =	<u>320,297,487</u>

Shareholder equity			
	Total shareholder equity (mandatory field)	3620 +	<u>220,100,644</u>

	Total liabilities and shareholder equity	3640 =	<u>540,398,131</u>

Retained earnings			
	Retained earnings/deficit – end (mandatory field)	3849 =	<u>44,773,847</u>

* Generic item



Form identifier 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIF1

Corporation's name	Business number	Tax year end Year Month Day
Ellexicon Energy Inc.		2019-12-31

Balance sheet information

Account	Description	GIFI	Current year	Prior year
Assets				
	Total current assets	1599 +	75,281,930	
	Total tangible capital assets	2008 +	521,609,138	
	Total accumulated amortization of tangible capital assets	2009 –	87,450,682	
	Total intangible capital assets	2178 +	81,532,082	
	Total accumulated amortization of intangible capital assets	2179 –	11,920,734	
	Total long-term assets	2589 +	15,145,335	
	* Assets held in trust	2590 +		
	Total assets (mandatory field)	2599 =	594,197,069	
Liabilities				
	Total current liabilities	3139 +	87,925,747	
	Total long-term liabilities	3450 +	285,008,450	
	* Subordinated debt	3460 +		
	* Amounts held in trust	3470 +		
	Total liabilities (mandatory field)	3499 =	372,934,197	
Shareholder equity				
	Total shareholder equity (mandatory field)	3620 +	221,262,872	
	Total liabilities and shareholder equity	3640 =	594,197,069	
Retained earnings				
	Retained earnings/deficit – end (mandatory field)	3849 =	45,399,581	

* Generic item



GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Form identifier 125

Corporation's name	Business number	Tax year-end Year Month Day
Ellexicon Energy Inc.		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 +	353,024,190	
Cost of sales	8518 -	294,933,977	
Gross profit/loss	8519 =	58,090,213	
Cost of sales	8518 +	294,933,977	
Total operating expenses	9367 +	51,894,058	
Total expenses (mandatory field)	9368 =	346,828,035	
Total revenue (mandatory field)	8299 +	354,860,757	
Total expenses (mandatory field)	9368 -	346,828,035	
Net non-farming income	9369 =	8,032,722	

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 =	8,032,722	

Total other comprehensive income	9998 =	-488,701	

Extraordinary items and income (linked to Schedule 140)

Extraordinary item(s)	9975 -		
Legal settlements	9976 -		
Unrealized gains/losses	9980 +	-82,436	
Unusual items	9985 -		
Current income taxes	9990 -	-50,603	
Future (deferred) income tax provision	9995 -	438,597	
Total – Other comprehensive income	9998 +	-488,701	
Net income/loss after taxes and extraordinary items (mandatory field)	9999 =	7,073,591	



Notes Checklist

Corporation's name Ellexicon Energy Inc.	Business number [REDACTED]	Tax Year End Year Month Day 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	☒	No	☐
Is the accountant connected* with the corporation?	097	Yes	☐	No	☒

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	☒
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	☒

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	☒	No	☐

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

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

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.

SCHEDULE 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIF

Form identifier 100

Name of corporation	Business Number	Tax year-end Year Month Day
Elexicon Energy Inc.		2019-12-31

Assets – lines 1000 to 2599

1060	70,250,168	1061	-1,443,000	1064	428,154
1120	4,371,638	1480	716,972	1483	260,000
1484	697,998	1599	75,281,930	1900	521,609,138
1901	-87,450,682	2008	521,609,138	2009	-87,450,682
2010	17,183,591	2011	-11,920,734	2012	64,348,491
2178	81,532,082	2179	-11,920,734	2420	15,145,335
2589	15,145,335	2599	594,197,069		

Liabilities – lines 2600 to 3499

2600	973,138	2620	59,670,619	2700	6,800,000
2860	1,392,835	2920	1,610,132	2960	17,479,023
3139	87,925,747	3140	191,534,257	3220	74,722,738
3240	2,399,457	3320	16,351,998	3450	285,008,450
3499	372,934,197				

Shareholder equity – lines 3500 to 3640

3500	98,796,044	3541	77,871,812	3580	-804,565
3600	45,399,581	3620	221,262,872	3640	594,197,069

Retained earnings – lines 3660 to 3849

3660	37,837,289	3680	7,562,292	3849	45,399,581

SCHEDULE 101

GENERAL INDEX OF FINANCIAL INFORMATION – GIF

Form identifier 101

Name of corporation	Business Number	Tax year-end Year Month Day
Elexicon Energy Inc.		2019-12-31

Assets – lines 1000 to 2599

1060	70,851,751	1061	-1,097,432	1120	4,768,738
1480	1,280,686	1484	1,849,560	1599	77,653,303
1900	551,696,204	1901	-162,917,335	2008	551,696,204
2009	-162,917,335	2010	17,576,823	2011	-13,353,688
2012	63,323,296	2178	80,900,119	2179	-13,353,688
2420	6,300,934	2421	118,594	2589	6,419,528
2599	540,398,131				

Liabilities – lines 2600 to 3499

2600	4,919,536	2620	62,977,570	2860	2,479,018
2920	1,651,265	2960	13,304,043	3139	85,331,432
3140	173,200,301	3220	45,716,826	3240	303,257
3320	15,745,671	3450	234,966,055	3499	320,297,487

Shareholder equity – lines 3500 to 3640

3500	98,796,044	3540	76,846,617	3580	-315,864
3600	44,773,847	3620	220,100,644	3640	540,398,131

Retained earnings – lines 3660 to 3849

3660	44,773,847	3849	44,773,847

SCHEDULE 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIF1

Form identifier 125

Name of corporation	Business Number	Tax year-end Year Month Day
Ellexicon Energy Inc.		2019-12-31

Description

Sequence number **0003** 01

Other comprehensive income – lines 7000 to 7020

7002 -488,701

Revenue – lines 8000 to 8299

8000	353,024,190	8089	353,024,190	8100	93,476
8210	-159,989	8230	1,903,080	8299	354,860,757

Cost of sales – lines 8300 to 8519

8320	294,933,977	8518	294,933,977	8519	58,090,213

Operating expenses – lines 8520 to 9369

8522	257,548	8523	45,480	8670	12,479,453
8710	5,324,287	9270	33,787,290	9367	51,894,058
9368	346,828,035	9369	8,032,722		

Extraordinary items and taxes – lines 9970 to 9999

9970	8,032,722	9980	-82,436	9990	-50,603
9995	438,597	9998	-488,701	9999	7,073,591



Net Income (Loss) for Income Tax Purposes

Schedule 1

Corporation's name Ellexicon Energy Inc.	Business number ■■■■■■■■■■	Tax year-end Year Month Day 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 **7,073,591** A

Add:

Provision for income taxes – current	101	-50,603
Provision for income taxes – deferred	102	438,597
Amortization of tangible assets	104	12,479,453
Loss on disposal of assets	111	159,989
Charitable donations and gifts from Schedule 2	112	257,548
Scientific research expenditures deducted per financial statements	118	392,910
Non-deductible club dues and fees	120	6,507
Non-deductible meals and entertainment expenses	121	22,740
Reserves from financial statements – balance at the end of the year	126	10,500,630
Subtotal of additions		24,207,771 ►

24,207,771

Other additions:

Taxable/non-deductible other comprehensive income items	239	488,701

Miscellaneous other additions:

1 Description 605	2 Amount 295		
1 OITC/ORDTC/BCRDTC/ABRDTC from prior year under 12(1)(x) ITA	3,462		
2 Vehicle amort. not included in amortization addback above	143,484		
3 12(1)(X) CIAC	14,265,773		
4 Golf Tournament expenses	98,866		
5 unrealized loss on interest rate swaps	82,436		
6 regulatory assets-decrease	1,336,097		
7 Movement in stranded meters	300,732		
8 Deferred Revenue-IESO	25,920		
9 other non-current assets-rate app	5,730		
Total of column 2	16,262,500 ►	296	16,262,500
Subtotal of other additions	199	16,751,201 ►	16,751,201 D
Total additions	500	40,958,972 ►	40,958,972

Amount A plus line 500 **48,032,563** B

Deduct:

Capital cost allowance from Schedule 8	403	20,588,789
SR&ED expenditures claimed in the year on line 460 from Form T661	411	724,628
Reserves from financial statements – balance at the beginning of the year	414	9,713,223
Subtotal of deductions		31,026,640 ►

31,026,640

Other deductions:

Miscellaneous other deductions:

1 Description 705	2 Amount 395
1 other amort. not included above	38,667

	1 Description 705	2 Amount 395			
2	13(7.4) election CIAC	14,265,773			
3	Deferred Revenue-AFT	516,131			
4	Pension Contrib Capitalized for Acctg	694,195			
5	POEB Capitalized for Acctg	144,746			
6	Sick leave cost capitalized for acctg.	29,148			
7	Borrowing costs capitalized	413,060			
8	Assets capitalized for acctg.	1,001,201			
9	Proceeds on sales recorded for acctg, reduce UCC for tax	115,340			
	Total of column 2	17,218,261	▶	396	17,218,261
		Subtotal of other deductions	▶	499	17,218,261
					17,218,261 E
		Total deductions	▶	510	48,244,901
					48,244,901
	Net income (loss) for income tax purposes (amount B minus line 510)				-212,338 C
	Enter amount C on line 300 of the T2 return.				



Charitable Donations and Gifts

Corporation's name Ellexicon Energy Inc.	Business number ■■■■■■■■■■	Tax year-end Year Month Day 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)
Charitable Donations	108,455
	Subtotal 108,455
Add: Total donations of less than \$100 each	
Total donations in current tax year	
	108,455

Part 1 – Charitable donations

	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 210	108,455	108,455	108,455
(include this amount on line 112 of Schedule 1 Net Income (Loss) for Income Tax Purposes)			
Subtotal (line 250 plus line 210)	108,455 B	108,455	108,455
Subtotal (line 240 plus amount B)	108,455 C	108,455	108,455
Adjustment for an acquisition of control 255			
Total charitable donations available (amount C minus line 255)	108,455 D	108,455	108,455
Amount applied in the current year against taxable income (cannot be more than amount L in Part 2) 260			
(enter this amount on line 311 of the T2 return)			
Charitable donations closing balance (amount D minus line 260) 280	108,455	108,455	108,455
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, 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
1 st prior year			
2 nd prior year			
3 rd prior year			
4 th prior year			
5 th prior year			
6 th prior year*			
7 th prior year			
8 th prior year			
9 th prior year			
10 th prior year			
11 th prior year			
12 th prior year			
13 th prior year			
14 th prior year			
15 th prior year			
16 th prior year			
17 th prior year			
18 th prior year			
19 th prior year			
20 th prior year			
21 st 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 % 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) K

Maximum allowable deduction for charitable donations
(enter amount D from Part 1, amount K, or net income for tax purposes, whichever is least) 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	410		
(include this amount on line 112 of Schedule 1)			
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	460		
(enter this amount on line 313 of the T2 return)			
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
1 st prior year			
2 nd prior year			
3 rd prior year			
4 th prior year			
5 th prior year			
6 th prior year*			
7 th prior year			
8 th prior year			
9 th prior year			
10 th prior year			
11 th prior year			
12 th prior year			
13 th prior year			
14 th prior year			
15 th prior year			
16 th prior year			
17 th prior year			
18 th prior year			
19 th prior year			
20 th prior year			
21 st 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	Federal	Québec	Alberta
Year of origin:			
1 st prior year			
2 nd prior year			
3 rd prior year			
4 th prior year			
5 th prior year			
6 th prior year*			
7 th prior year			
8 th prior year			
9 th prior year			
10 th prior year			
11 th prior year*			
12 th prior year			
13 th prior year			
14 th prior year			
15 th prior year			
16 th prior year			
17 th prior year			
18 th prior year			
19 th prior year			
20 th prior year			
21 st 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		

Additional deduction for gifts of medicine made before March 22, 2017

Federal

a _____ x $\left(\frac{b}{c} \right)$ = **610** _____

Additional deduction for gifts of medicine made before March 22, 2017

Québec

a _____ x $\left(\frac{b}{c} \right)$ = 2017 _____

Additional deduction for gifts of medicine made before March 22, 2017

Alberta

a _____ x $\left(\frac{b}{c} \right)$ = 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)

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	660		
(enter this amount on line 315 of the T2 return)			
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
1 st prior year			
2 nd prior year			
3 rd prior year			
4 th prior year			
5 th prior year			
6 th prior year*			
7 th prior year			
8 th prior year			
9 th prior year			
10 th prior year			
11 th prior year			
12 th prior year			
13 th prior year			
14 th prior year			
15 th prior year			
16 th prior year			
17 th prior year			
18 th prior year			
19 th prior year			
20 th prior year			
21 st 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	
1 st prior year		
2 nd prior year		
3 rd prior year		
4 th prior year		
5 th prior year		
6 th prior year*		
7 th prior year		
8 th prior year		
9 th prior year		
10 th prior year		
11 th prior year		
12 th prior year		
13 th prior year		
14 th prior year		
15 th prior year		
16 th prior year		
17 th prior year		
18 th prior year		
19 th prior year		
20 th prior year		
21 st prior year*		
Total		

* These gifts expired in the current year.



Dividends Received, Taxable Dividends Paid, and Part IV Tax Calculation

Corporation's name Elexicon Energy Inc.	Business number [REDACTED]	Tax year-end Year Month Day 2019-12-31

- 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); or
 - 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.
- A recipient corporation is **connected** with a payer corporation at any time in a tax year, if at that time the recipient corporation:
 - controls the payer corporation, other than because of a right referred to in paragraph 251(5)(b); or
 - 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 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 and I **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 column J and K use the **special calculations provided in the notes**.

1	A Name of payer corporation (from which the corporation received the dividend)	A1	B Enter 1 if payer corporation is connected	C Business Number of connected corporation	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	E Non-taxable dividends under section 83
	200		205	210	220	230
			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) ^{note 1}	F1	G Eligible dividends included in column F	H Total taxable dividends paid by connected payer corporation (for tax year in column D)	I Dividend refund of the connected payer corporation (for tax year in column D) ^{note 2}	J Part IV tax for eligible dividends. Dividends (from column G) multiplied by 38 1/3% ^{note 3}	K Part IV tax before deductions. Dividends (from column F) multiplied by 38 1/3% ^{note 4}
	240		242	250	260	265	275
1							
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 J or column K whichever one applies. 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.							

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 (ERDTH) at the end of the tax year.	
Part IV tax before deductions on taxable dividends received from connected corporations ^{note 5} (amount 1F 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)	
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 (ERDTH) at the end of the tax year.	
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 eligible 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)	

5 The program calculates the amount on line 2E from the amount on line 1F. If only a portion of the dividend refund to the connected payer corporation results in an eligible refundable dividend tax on hand (ERDTH), enter this amount on line 2E, using an override. However, if the dividend refund to the connected payer corporation does not result in an ERDTH, the amount on line 2E must be equal to "0."

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 connected recipient corporation, 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 connected recipient corporation	M Business Number	N Tax year-end of connected recipient corporation in which the dividends in column O were received YYYYMMDD	O Taxable dividends paid to connected corporations	P Eligible dividends included in column O
	400	410	420	430	440
1	Ellexicon Corporation		2019-12-31	6,936,558	
				6,936,558	
				(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	6,936,558
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	6,936,558
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)		2,659,014 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)		6,936,558
Other dividends paid in the tax year (total of 510 to 540)		
Total dividends paid in the tax year	500	6,936,558
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)		6,936,558 4B



Corporation Loss Continuity and Application

Corporation's name	Business number	Tax year-end Year Month Day
Ellexicon Energy Inc.		2019-12-31

- 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 -212,338 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
 Amount of an employer for non-qualified securities under an employee stock options agreement
 deductible under paragraph 110(1)(e) 1d
 Subtotal (total of amounts a to 1d) B
 Subtotal (amount A minus amount B; if positive, enter "0") -212,338 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) -212,338 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") -212,338 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) 110 212,338 h
 Subtotal (amount g plus amount h) 212,338 I
 Subtotal (amount H plus amount I) 212,338 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	130	k
Enter amount k on line 331 of the T2 Return.		
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)	212,338	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	212,338 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 **2,500** 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*.



Canada Revenue
Agency

Agence du revenu
du Canada

Tax Calculation Supplementary – Corporations

Schedule 5

Corporation's name	Business Number	Tax year-end Year Month Day
Elexicon Energy Inc.		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	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	201,463	
Ontario special additional tax on life insurance corporations (from Schedule 512)	280		
Subtotal (line 278 plus line 280)		201,463	5H
Total Ontario tax payable before refundable tax credits (amount 5G plus amount 5H)		201,463	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	795	
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)		3,795	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	197,668	

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 255 197,668

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.



Capital Cost Allowance (CCA)

Corporation's name Elexicon Energy Inc.	Business number [REDACTED]	Tax year-end Year Month Day 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 ☒

1 Class number * See note 1	Description	2 Undepreciated capital cost (UCC) at the beginning of the year	3 Cost of acquisitions during the year (new property must be available for use) See note 2	4 Cost of acquisitions from column 3 that are accelerated investment incentive properties (AIIP) See note 3	5 Adjustments and transfers See note 4	6 Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition See note 5	7 Amount from column 5 that is repaid during the year for a property, subsequent to its disposition See note 6	8 Proceeds of dispositions See note 7	For tax years ending before November 21, 2018: 50% rule (1/2 of net acquisitions)
200		201	203	225	205	221	222	207	211
1. 1	Trans/dist before Feb 22/05	111,075,968						0	
2. 1b	Building - Office	9,467,470	735,353	735,353				0	
3. 2	GEN & DISTR < 1988	4,583,396						0	
4. 8	Equipment	6,105,400	1,005,090	1,005,090	444,914			0	
5. 10	Vehicles/Computer equipmet	2,279,595	1,537,078	1,537,078				99,066	
6. 10.1	Vehicles#285 2008 ford escape	743						N/A	
7. 10.1	Vehicles#284 2008 ford escape	744						N/A	
8. 10.1	Vehicles#250 2009 silverado hybrid	1,077						N/A	
9. 10.1	Vehicles#302 2009 ford escape	1,538						N/A	
10. 12	Software	217,073	993,212	993,212				0	
11. 13	Leasehold	188,134						0	
12. 17	Yard improvements	261,432						0	
13. 42	Fibre optics	2,106						0	
14. 45	Computers>22-03-04<19-03-07	674						0	
15. 47	Trans/dist acquired after Feb 22/05	163,534,773	28,985,246	28,985,246				115,340	
16. 50	Computer Hardware and Systems	521,991	584,833	584,833				0	
17. 43.2	Clean energy generation	29,739						0	
18. 14.1	Eligible Capital Property	6,161,150	5,245	5,245				0	
19. 95	WIP no depreciation taken	23,272,200			-3,666,050			0	
Totals		327,705,203	33,846,057	33,846,057	-3,221,136			214,406	



1 Class number * See note 1	Des- crip- tion	9 UCC (column 2 plus column 3 plus or minus column 5 See note 8 minus column 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	14 CCA rate % See note 11	15 Recapture of CCA See note 12	16 Terminal loss See note 13	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	18 UCC at the end of the year (column 9 minus column 17)
200						224	212	213	215	217	220
1.	1	Trans/c	111,075,968				4	0	0	3,347,495	107,728,473
2.	1b	Buildin	10,202,823		735,353	367,677	6	0	0	477,845	9,724,978
3.	2	GEN &	4,583,396				6	0	0	207,195	4,376,201
4.	8	Equipm	7,555,404		1,005,090	502,545	20	0	0	1,214,212	6,341,192
5.	10	Vehicle	3,717,607	99,066	1,438,012	719,006	30	0	0	1,002,796	2,714,811
6.	10.1	Vehicle	743				30	N/A	N/A	168	575
7.	10.1	Vehicle	744				30	N/A	N/A	168	576
8.	10.1	Vehicle	1,077				30	N/A	N/A	243	834
9.	10.1	Vehicle	1,538				30	N/A	N/A	347	1,191
10.	12	Softwa	1,210,285		993,212		100	0	0	911,859	298,426
11.	13	Leaseh	188,134				NA	0	0	56,440	131,694
12.	17	Yard in	261,432				8	0	0	15,758	245,674
13.	42	Fibre o	2,106				12	0	0	191	1,915
14.	45	Compu	674				45	0	0	228	446
15.	47	Trans/c	192,404,679	115,340	28,869,906	14,434,953	8	0	0	12,467,047	179,937,632
16.	50	Compu	1,106,824		584,833	292,417	55	0	0	579,823	527,001
17.	43.2	Clean €	29,739				50	0	0	11,203	18,536
18.	14.1	Eligible	6,166,395		5,245	2,623	5	0	0	295,771	5,870,624
19.	95	WIP nc	19,606,150				0	0	0		19,606,150
Totals			358,115,718	214,406	33,631,651	16,319,221				20,588,789	337,526,929

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).

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	Employee Future Liability	8,826,498		668,432		9,494,930
2	Sick Leave Liability	886,725		118,975		1,005,700
3						
	Reserves from Part 2 of Schedule 13					
	Totals	9,713,223		787,407		10,500,630

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.



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:

- Associated for purposes of allocating the business limit (unless association code 5 applies)
- 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
- Non-CCPC that is a **third corporation**
- Associated non-CCPC
- 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	2 Business number of associated corporations	3 Asso- ciation code	4 Business limit for the year before the allocation \$	5 Percentage of the business limit %	6 Business limit allocated* \$
100	200	300		350	400
1 Elexicon Energy Inc.		1	500,000	100.0000	500,000
2 Elexicon Corporation		1	500,000		
3 Elexicon Group Inc.		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 $0.225\% \times (C - \$10,000,000)$. 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.



**FIRST-TIME FILER AFTER INCORPORATION, AMALGAMATION, OR WINDING-UP OF A
SUBSIDIARY INTO A PARENT**

Name of corporation	Business Number	Tax year end Year Month Day
Ellexicon Energy Inc.		2019-12-31

This schedule must be filed by corporations for the first year of filing after incorporation, amalgamation, or by parent corporations filing for the first time after winding-up a subsidiary corporation(s) under section 88 of the *Income Tax Act* during the current taxation year.

Part 1 – Type of operation

100 For those corporations filing for the first time after incorporation or amalgamation, please identify the type of operation that applies to your corporation:

99 Other

Part 2 – First year of filing after amalgamation

For the first year of filing after an amalgamation, please provide the following information:

	Name of predecessor corporation(s)	Business Number (If a corporation is not registered, enter "NR")
	200	300
1	Veridian Connections Inc.	
2	Whitby Hydro Electric Corporation	

Part 3 – First year of filing after wind-up of subsidiary corporation(s)

For the parent corporation filing for the first time after winding-up a subsidiary corporation(s) under section 88 of the *Income Tax Act*, please provide the following information:

Name of subsidiary corporation(s)	Business Number (If a corporation is not registered, enter "NR")	Commencement date of wind-up (YYYY/MM/DD)	Date of wind-up (YYYY/MM/DD)
400	500	600	700



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 Ellexicon Energy Inc.	Business number [REDACTED]	Tax year-end Year Month Day 2019-12-31

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:

- 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:

- one or more persons exempt from Part I tax under section 149;
- Her Majesty in right of a province, a Canadian municipality, or any other public authority; or
- 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 ☒

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)	.....	<u> </u>	I1
Credit balance before refund (from amount G1 in Part 5)	.....	<u> </u>	J1
Refund (40 % of amount I1 or J1, whichever is less)	.....	<u> </u>	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)	1,133,033	
Deduct:		
Contributions to agricultural organizations for SR&ED		
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)*	1,133,033	350 1,133,033
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 1,133,033

* 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 ☒ 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		=		F2
		365			275	
					365	

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** 1,133,033

Amount from line 430 x Number of days in the tax year before 2014 x 20% = c

Amount from line 430** x Number of days in the tax year after 2013 275 x 15 % = 169,955 d
1,133,033 x 275

Subtotal (amount c **plus** amount d) 169,955 ► 169,955 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 x 20% = f

Amount from line 450** x Number of days in the tax year after 2013 275 x 15 % = g
275

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) 169,955 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					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	169,955			
Credit allocated from a partnership	550				
Subtotal (total of lines 530 to 550)		169,955		169,955	O2
Total credit available (line 520 plus amount O2)				169,955	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)				169,955	R2
Refund of credit claimed on SR&ED expenditures (from Part 14 or 15, whichever applies)	610	67,982			
ITC closing balance on SR&ED (amount R2 minus line 610)	620	101,973			

- 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 k 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)	169,955	I	
Refundable credits (amount I or amount R2 in Part 12, whichever is less)*	169,955	T2	
Amount T2 or amount G2 in Part 11, whichever is less		U2	
Net amount (amount T2 minus amount U2; if negative, enter "0")	169,955	V2	
Amount V2 multiplied by 40 %	67,982	W2	
Amount U2		X2	
Refund of ITC (amount W2 plus amount X2 – enter this, or a lesser amount, on line 610 in Part 12)	67,982	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	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)	Amount from column 700 or 710, whichever is less
700	710	
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	B	C	D	E	F
Rate that the transferee used in determining its ITC for qualified expenditures under a subsection 127(13) agreement	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	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.)	Amount determined by the formula $(A \times B) - C$	ITC earned by the transferee for the qualified expenditures that were transferred	Amount from column D or E, whichever is less
720	730	740		750	
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)	.....	F3
Enter at amount A8 in Part 29.		

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.	===== 14

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)	B Name of eligible trade	C Eligible salary and wages*	D Column C x 10 %	E Lesser of column D or \$ 2,000
601	602	603	604	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					G5
Enter at amount r in Part 22.					

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	Description of investment	Date available for use	Amount of investment
665	675	685	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				Credit to be applied	941	
2nd previous tax year				Credit to be applied	942	
3rd previous tax year				Credit to be applied	943	
Total of lines 941 to 943						K6
Enter at amount s in Part 26.						

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.



Taxable Capital Employed in Canada – Large Corporations

Corporation's name	Business number	Tax year-end Year Month Day
Ellexicon Energy Inc.		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	
Capital stock (or members' contributions if incorporated without share capital)	103	98,796,044
Retained earnings	104	45,399,581
Contributed surplus	105	77,871,812
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)		222,067,437 ▶ 222,067,437 A

Note:

Line 112 is determined by the formula $(A - B) \times C/D$ (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) 222,067,437 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** 222,067,437

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) 222,067,437 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** 222,067,437

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)	222,067,437	x	Taxable income earned in Canada	610	1,000	=	Taxable capital employed in Canada	690	222,067,437
			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

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%)

Enter this amount at line 415 of the T2 return.

Shareholder Information

Corporation's name	Business number	Tax year-end Year Month Day
Ellexicon Energy Inc.		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)	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	Ellexicon Corporation				100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						



Part III.1 Tax on Excessive Eligible Dividend Designations

Corporation's name Ellexicon Energy Inc.	Business number [REDACTED]	Tax year-end Year Month Day 2019-12-31

- 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 completed 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 (GRIP), and low rate income pool (LRIP).
- 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.

Do not use this area

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	.....	6,936,558
Total taxable dividends paid in the tax year	.....	100 6,936,558
Total eligible dividends paid in the tax year	.....	150 A
GRIP at the end of the tax year (line 590 on Schedule 53) (if negative, enter "0")	.....	160 B
Excessive eligible dividend designation (line 150 minus line 160)	.....	C
Deduct:		
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *	.....	180 D
Subtotal (amount C minus amount D)		E
Part III.1 tax on excessive eligible dividend designations – CCPC or DIC (amount E multiplied by 20 %)	.....	190 F
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 from line A of Schedule 54)	.....	G
Deduct:		
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *	.....	280 H
Subtotal (amount G minus amount H)		I
Part III.1 tax on excessive eligible dividend designations – Other corporations (amount I multiplied by 20 %)	.....	290 J
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. For more information on how to make this election, go to www.cra.gc.ca/eligibledividends.



Ontario Research and Development Tax Credit

Corporation's name Elexicon Energy Inc.	Business number [REDACTED]	Tax year-end Year Month Day 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	1,174,127	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")		1,174,127	C
Eligible expenditures transferred to the corporation by another corporation	110		D
Subtotal (amount C plus amount D)		1,174,127	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	1,174,127	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 x 4.5 % = % 1
 Number of days in the tax year 241

Number of days in the tax year after May 31, 2016 242 x 3.5 % = % 2
 Number of days in the tax year 243

Subtotal (percentage 1 plus percentage 2) % 3

Repayments for a tax year that ends on or after June 1, 2016 and includes May 31, 2016 211 x percentage 3 % = 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 x 4.5 % = % 4

Number of days
in the tax year

Number of days
in the tax year
after May 31, 2016 x 3.5 % = % 5

Number of days
in the tax year

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) 1,174,127 x 3.5 % = **202** 41,094 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** 41,094 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 **41,094** CC

(amount P, T or X in Part 3 whichever applies)

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) **41,094** ▶ **41,094** EE

ORDTC available for deduction (total of amounts AA, BB and EE) **41,094** ▶ **41,094** FF

ORDTC claimed ** GG

(Enter amount GG on line 416 on page 5 of Schedule 5, *Tax Calculation Supplementary – Corporations*)

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** **41,094** 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			
1 st previous tax year					Credit to be applied	901
2 nd previous tax year					Credit to be applied	902
3 rd previous tax year					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)				Tax year of origin (earliest tax year first)			
Year	Month	Day	Credit available	Year	Month	Day	Credit available
				2019-12-31			41,094
				Total (equals line 325 in Part 4)			41,094

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	LL	MM
	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	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	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	PP	QQ
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	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	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)
720	730	740
1.		

RR	SS	TT
Amount determined by the formula (OO x PP) - QQ (using the columns above)	Federal ITC earned by the transferee for the qualified expenditure that was transferred	Amount from column RR or SS, whichever is less
	750	
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		792,851	
Add			
• payment of prior years' unpaid expenses (other than salary or wages)	+		
• prescribed proxy amount (Enter "0" if you use the traditional method)	+	381,276	
• expenditures on shared-use equipment			+
• other additions	+		+
Subtotal	=	1,174,127	=
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	-		
• 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	=	1,174,127	= II
Total eligible expenditures incurred by the corporation in Ontario in the tax year (add amount I and II)			= 1,174,127 III

Enter amount III on line 100 of Schedule 508.



Ontario Corporate Minimum Tax

Corporation's name	Business number	Tax year-end Year Month Day
Ellexicon Energy Inc.		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	594,197,069
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	122,518,140
Total assets (total of lines 112 to 116)		716,715,209
Total revenue of the corporation for the tax year **	142	470,997,005
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	12,707,595
Total revenue (total of lines 142 to 146)		483,704,600

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	7,073,591
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	438,597		
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	438,597		438,597 A
Deduct (to the extent reflected in income/loss):				
Provision for recovery of current income taxes/benefit of current income taxes	320	50,603		
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	382			
383	384			
385	386			
387	388			
389	390			
	Subtotal	50,603		50,603 B
Adjusted net income/loss for CMT purposes (line 210 plus amount A minus amount B)			490	7,461,585

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 GIF1 (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** 7,461,585

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** 7,461,585

Amount from line 520 7,461,585 × $\frac{\text{Number of days in the tax year before July 1, 2010}}{\text{Number of days in the tax year}}$ 275 × 4 % = 1

Amount from line 520 7,461,585 × $\frac{\text{Number of days in the tax year after June 30, 2010}}{\text{Number of days in the tax year}}$ 275 × 2.7 % = 201,463 **2**

Subtotal (amount 1 **plus** amount 2) 201,463 **3**

Gross CMT: amount on line 3 above x OAF ** **540** 201,463

Deduct:

Foreign tax credit for CMT purposes *** **550**

CMT after foreign tax credit deduction (line 540 **minus** line 550) (if negative, enter "0") 201,463 **D**

Deduct:

Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5) 201,463

Net CMT payable (if negative, enter "0") 201,463 **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)	.....	201,463
SAT payable (amount O from Part 6 of Schedule 512)	.....	
	Subtotal	201,463
		201,463 K
CMT credit carryforward at the end of the tax year (amount J plus amount K)	.....	670 201,463 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)	 201,463	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:	201,463 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)	.....	3,795
	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.



**ONTARIO CORPORATE MINIMUM TAX – TOTAL ASSETS
AND REVENUE FOR ASSOCIATED CORPORATIONS**

Name of corporation	Business Number	Tax year-end Year Month Day
Elexicon Energy Inc.		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	Business number (Canadian corporation only) (see Note 1)	Total assets* (see Note 2)	Total revenue** (see Note 2)
	200	300	400	500
1	Elexicon Corporation		117,530,057	10,732,745
2	Elexicon Group Inc.		4,988,083	1,974,850
		450	550	
	Total		122,518,140	12,707,595

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.



ONTARIO SPECIALTY TYPES

Name of corporation	Business Number	Tax year-end Year Month Day
Ellexicon Energy Inc.		2019-12-31

- Use this schedule to identify the specialty type of a corporation carrying on business in the province of Ontario through a permanent establishment if:
 - its tax year includes January 1, 2009;
 - the tax year is the first year after incorporation or an amalgamation; or
 - there is a change to the specialty type.
- If none of the listed specialty types applies, tick box 99 "Other."
- Unless otherwise noted, references to sections, subsections, and clauses are from the *Taxation Act, 2007* (Ontario).

Specialty types

100 Identify the specialty type that applies to your corporation:

- ☐ 01 Family farm corporation – See subsection 64(3).
- ☐ 02 Family fishing corporation – See subsection 64(3).
- ☐ 03 Mortgage investment corporation – See subsection 130.1(6) of the federal *Income Tax Act*.
- ☐ 04 Credit union – See subsection 137(6) of the federal Act.
- ☐ 06 Bank – See subsection 248(1) of the federal Act.
- ☐ 08 Financial institution prescribed by regulation only – See clause 66(2)(f).
- ☐ 09 Registered securities dealer – See subsection 248(1) of the federal Act.
- ☐ 10 Farm feeder finance co-operative corporation
- ☐ 11 Insurance corporation – See subsection 248(1) of the federal Act.
- ☐ 12 Mutual insurance – See subsection 27(2) of the *Taxation Act, 2007* (Ontario) and paragraph 149(1)(m) of the federal Act.
- ☐ 13 Specialty mutual insurance
- ☐ 14 Mutual fund corporation – See subsection 131(8) of the federal Act.
- ☐ 15 Bare trustee corporation
- ☐ 16 Professional corporation (incorporated professional only) – See subsection 248(1) of the federal Act.
- ☐ 17 Limited liability corporation
- ☐ 18 Generator of electrical energy for sale, or producer of steam for use in the generation of electrical energy for sale – See subsection 33(7).
- ☒ 19 Hydro successor, municipal electrical utility, or subsidiary of either – See subsection 91.1(1) and section 88 of the *Electricity Act, 1998* (Ontario).
- ☐ 20 Producer and seller of steam for uses other than for the generation of electricity – See subsection 33(7).
- ☐ 21 Mining corporation
- ☐ 22 Non-resident corporation
- ☐ 99 Other (if none of the previous descriptions apply)



CORPORATIONS INFORMATION ACT ANNUAL RETURN FOR ONTARIO CORPORATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
Ellexicon Energy Inc.		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) Ellexicon Energy Inc.			
Jurisdiction incorporated, continued, or amalgamated, whichever is the most recent Ontario	110 Date of incorporation or amalgamation, whichever is the most recent Year Month Day 2019-04-01	120 Ontario Corporation No. 	

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

200 Care of (if applicable) 			
210 Street number 55	220 Street name/Rural route/Lot and Concession number Taunton Road East	230 Suite number 	
240 Additional address information if applicable (line 220 must be completed first) 			
250 Municipality (e.g., city, town) Ajax	260 Province/state ON	270 Country CA	280 Postal/zip code L1T 3V3

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 Lombardi Last name **451** Lucy 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.



ONTARIO CO-OPERATIVE EDUCATION TAX CREDIT

Name of corporation	Business Number	Tax year-end Year Month Day
Ellexicon Energy Inc.		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
	(905) 427-9870
Is the claim filed for a CETC earned through a partnership?*	150 1 Yes ☐ 2 No ☒
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 ☒ 2 No ☐
2. Was the corporation exempt from tax under Part III of the <i>Taxation Act, 2007</i> (Ontario)?	210 1 Yes ☐ 2 No ☒
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** 28,973,514

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:

$$\text{Eligible percentage} = 15\% - \left[5\% \times \left(\frac{\text{amount on line 300} - \$400,000}{\$200,000} \right) \right]$$

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:

$$\text{Eligible percentage} = 30\% - \left[5\% \times \left(\frac{\text{amount on line 300} - \$400,000}{\$200,000} \right) \right]$$

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. [REDACTED]		Powerline Technician	
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. [REDACTED]			

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)		F2 Eligible expenditures after March 26, 2009 (see note 1 below)		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)
	450		452			
1.		10.000 %		25.000 %		17

	G Eligible amount (eligible expenditures multiplied by eligible percentage) (see note 2 below)	H Maximum CETC per WP (see note 3 below)	I CETC on eligible expenditures (column G or H, whichever is less)	J CETC on repayment of government assistance (see note 4 below)	K CETC for each WP (column I or column J)
	460	462	470	480	490
1.		3,000			
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:

$(\$1,000 \times X/Y) + [\$3,000 \times (Y - X)/Y]$

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.



Ontario Apprenticeship Training Tax Credit

Corporation's name Ellexicon Energy Inc.	Business number [REDACTED]	Tax year-end Year Month Day 2019-12-31

- Use this schedule to claim an Ontario apprenticeship training tax credit (ATTC) under section 89 of the *Taxation Act, 2007* (Ontario).
- The ATTC is a refundable tax credit that is equal to a specified percentage (25% to 45%) of the eligible expenditures incurred by a corporation for a qualifying apprenticeship. For eligible expenditures incurred after March 26, 2009 for an apprenticeship program that began before April 24, 2015, the maximum credit for each qualifying apprenticeship is \$10,000 per year to a maximum credit of \$40,000 over the first 48-month period of the qualifying apprenticeship. For an apprenticeship program that began after April 23, 2015, the maximum credit for each qualifying apprenticeship is \$5,000 per year to a maximum credit of \$15,000 over the first 36-month period of the qualifying apprenticeship.
- Eligible expenditures are salaries and wages (including taxable benefits) paid to an apprentice in a qualifying apprenticeship or fees paid to an employment agency for the provision of services performed by the apprentice in a qualifying apprenticeship. These expenditures must be:
 - paid on account of employment or services, as applicable, at a permanent establishment of the corporation in Ontario;
 - for services provided by the apprentice during the first 48 months of the apprenticeship program, if an apprenticeship program began before April 24, 2015; and
 - for services provided by the apprentice during the first 36 months of the apprenticeship program, if an apprenticeship program began after April 23, 2015.
- An expenditure is not eligible for an ATTC if:
 - the same expenditure was used, or will be used, to claim a co-operative education tax credit; or
 - it is more than an amount that would be paid to an arm's length apprentice.
- An apprenticeship must meet the following conditions to be a qualifying apprenticeship:
 - the apprenticeship is in a qualifying skilled trade approved by the Ministry of Training, Colleges and Universities (Ontario) or a person designated by him or her; and
 - the corporation and the apprentice must be participating in an apprenticeship program in which the training agreement has been registered under the *Ontario College of Trades and Apprenticeship Act, 2009*, or the *Apprenticeship and Certification Act, 1998*, or in which the contract of apprenticeship has been registered under the *Trades Qualification and Apprenticeship Act*.
- Do not submit the training agreement or contract of apprenticeship with your *T2 Corporation Income Tax Return*. Keep a copy of the training agreement or contract of apprenticeship to support your claim.
- File this schedule with your *T2 Corporation Income Tax Return*.

Part 1 – Corporate information

110 Name of person to contact for more information [REDACTED]	120 Telephone number (905) 427-9870
Is the claim filed for an ATTC earned through a partnership? *	150 1 Yes ☐ 2 No ☒
If you answered yes to the question at line 150, what is the name of the partnership?	160 [REDACTED]
Enter the percentage of the partnership's ATTC allocated to the corporation	170 [REDACTED] %

* When a corporate member of a partnership is claiming an amount for eligible expenditures incurred by a partnership, complete a Schedule 552 for the partnership as if the partnership were a corporation. Each corporate partner, other than a limited partner, should file a separate Schedule 552 to claim the partner's share of the partnership's ATTC. The total of the partners' allocated amounts can never exceed the amount of the partnership's ATTC.

Part 2 – Eligibility

1. Did the corporation have a permanent establishment in Ontario in the tax year?	200 1 Yes ☒ 2 No ☐
2. Was the corporation exempt from tax under Part III of the <i>Taxation Act, 2007</i> (Ontario)?	210 1 Yes ☐ 2 No ☒

If you answered **no** to question 1 or **yes** to question 2, then you are **not eligible** for the ATTC.

Part 3 – Specified percentage

Corporation's salaries and wages paid in the previous tax year * **300** 28,973,514

For eligible expenditures incurred after March 26, 2009 for an apprenticeship program that began before April 24, 2015:

- If line 300 is \$400,000 or less, enter 45% on line 312.
- If line 300 is \$600,000 or more, enter 35% 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:

$$\text{Specified percentage} = 45\% - \left[10\% \times \left(\frac{\text{amount on line 300} - 400,000}{200,000} \right) \right]$$

Specified percentage **312** 35.000 %

For eligible expenditures incurred for an apprenticeship program that began after April 23, 2015:

- If line 300 is \$400,000 or less, enter 30% on line 314.
- If line 300 is \$600,000 or more, enter 25% on line 314.
- If line 300 is more than \$400,000 and less than \$600,000, enter the percentage on line 314 using the following formula:

$$\text{Specified percentage} = 30\% - \left[5\% \times \left(\frac{\text{amount on line 300} - 400,000}{200,000} \right) \right]$$

Specified percentage **314** 25.000 %

* If this is the first tax year of an amalgamated corporation and subsection 89(6) of the *Taxation Act, 2007* (Ontario) applies, enter salaries and wages paid in the previous tax year by the predecessor corporations.

Part 4 – Ontario apprenticeship training tax credit

Complete a **separate entry** for each apprentice for each qualifying apprenticeship with the corporation. When claiming an ATTC for repayment of government assistance, complete a **separate entry** for each repayment, and complete columns A to G and M and N with the details for the employment period in the previous tax year in which the government assistance was received.

A Trade code	B Apprenticeship program/trade name	C Name of apprentice	D Original contract or training agreement number	E Original registration date of apprenticeship contract or training agreement (YYYYMMDD) (see note 1)	F Start date of employment as an apprentice in the tax year (YYYYMMDD) (see note 2)	G End date of employment as an apprentice in the tax year (YYYYMMDD) (see note 3)
400	405	410	420	425	430	435
1. 434a	Powerline Technician		SYS006210	2016-04-13		
2.						

Note 1: Enter the original registration date of the apprenticeship contract or training agreement in all cases, even when multiple employers employed the apprentice.

Note 2: When there are multiple employment periods as an apprentice in the tax year with the corporation, enter the date that is the first day of employment as an apprentice in the tax year with the corporation. When claiming an ATTC for repayment of government assistance, enter the start date of employment as an apprentice for the tax year in which the government assistance was received.

Note 3: When there are multiple employment periods as an apprentice in the tax year with the corporation, enter the date that is the last day of employment as an apprentice in the tax year with the corporation. When claiming an ATTC for repayment of government assistance, enter the end date of employment as an apprentice for the tax year in which the government assistance was received.

Part 4 – Ontario apprenticeship training tax credit (continued)

	H1 Number of days in the tax year employed as an apprentice in a qualifying apprenticeship program that began before April 24, 2015 (see note 1) 442	H2 Number of days in the tax year employed as an apprentice in a qualifying apprenticeship program that began after April 23, 2015 (see note 1) 443	I Maximum credit amount for the tax year (see note 2) 445
1.		58	795
2.			

Note 1: When there are multiple employment periods as an apprentice in the tax year with the corporation, do not include days in which the individual was not employed as an apprentice.

For H1: The days employed as an apprentice must be within 48 months of the registration date provided in column E.

For H2: The days employed as an apprentice must be within 36 months of the registration date provided in column E.

Note 2: Maximum credit = $(\$10,000 \times H1/365^*)$ or $(\$5,000 \times H2/365^*)$, whichever applies.

* 366 days, if the tax year includes February 29

	J1 Eligible expenditures incurred after March 26, 2009 for a qualifying apprenticeship program that began before April 24, 2015 (see note 3) 452	J2 Eligible expenditures incurred for a qualifying apprenticeship program that began after April 23, 2015 (see note 3) 453	K Eligible expenditures multiplied by specified percentage (see note 4) 460
1.			
2.			

Note 3: Reduce eligible expenditures by all government assistance, as defined under subsection 89(19) of the *Taxation Act, 2007* (Ontario), that the corporation has received, is entitled to receive, or may reasonably expect to receive, in respect of the eligible expenditures, on or before the filing due date of the *T2 Corporation Income Tax Return* for the tax year.

For J1: Eligible expenditures must be for services provided by the apprentice to the taxpayer during the first 48 months of the apprenticeship program, and not relating to services performed before the apprenticeship program began or after it ended.

For J2: Eligible expenditures must be for services provided by the apprentice to the taxpayer during the first 36 months of the apprenticeship program, and not relating to services performed before the apprenticeship began or after it ended.

Note 4: Calculate the amount in column K as follows:

Column K = $(J1 \times \text{line 312})$ or $(J2 \times \text{line 314})$, whichever applies.

	L ATTC on eligible expenditures (lesser of columns I and K) 470	M ATTC on repayment of government assistance (see note 5) 480	N ATTC for each apprentice (column L or M, whichever applies) 490
1.			
2.			

Ontario apprenticeship training tax credit (total of amounts in column N)

500 795 **O**

Or, if the corporation answered **yes** at line 150 in Part 1, determine the partner's share of amount O:

Amount O _____ $\times$ percentage on line 170 in Part 1 _____ % = _____ **P**

Enter amount O or P, whichever applies, on line 454 of Schedule 5, *Tax Calculation Supplementary – Corporations*. If you are filing more than one Schedule 552, **add** the amounts from line O or P, whichever applies, on all the schedules, and enter the total amount on line 454 of Schedule 5.

Note 5: Include the amount of government assistance repaid in the tax year multiplied by the specified percentage for the tax year in which the government assistance was received, to the extent that the government assistance reduced the ATTC in that tax year. Complete **a separate entry** for each repayment of government assistance.

See the privacy notice on your return.

Corporate Taxpayer Summary

Corporate information

Corporation's name <u>Ellexicon Energy Inc.</u>																
Taxation Year <u>2019-04-01</u> to <u>2019-12-31</u>																
Jurisdiction <u>Ontario</u>																
BC	AB	SK	MB	ON	QC	NB	NS	NO	PE	NL	XO	YT	NT	NU	OC	
☐	☐	☐	☐	☒	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Corporation is associated <u>Y</u>																
Corporation is related <u>Y</u>																
Number of associated corporations <u>2</u>																
Type of corporation <u>Canadian-Controlled Private Corporation</u>																
Total amount due (refund) federal and provincial* <u>-220,314</u>																

* The amounts displayed on lines "Total amount due (refund) federal and provincial" are all listed in the help. Press F1 to consult the context-sensitive help.

Summary of federal information

Net income	-212,338
Taxable income	
Donations	108,455
Calculation of income from an active business carried on in Canada	
Dividends paid	6,936,558
Dividends paid – Regular	6,936,558
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	
Balance of the general rate income pool at the end of the year	
Part I tax (base amount)	
Credits against part I tax	Summary of tax
Small business deduction	Part I
M&P deduction	Part IV
Foreign tax credit	Part III.1
Investment tax credits	Other*
Abatement/Other*	Provincial or territorial tax
	197,668
	Refunds/credits
	ITC refund
	Dividends refund:
	– Eligible dividends
	– Non-eligible dividends
	Instalments
	Other*
	Balance due/refund (–)
	-220,314

* 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	
Charitable donations	108,455
Investment tax credits	101,973
Non-capital losses	212,338
Financial statement reserve	10,500,630

Summary of provincial information – provincial income tax payable

	Ontario	Québec (CO-17)	Alberta (AT1)
Net income	-212,338		
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***	201,463		
Instalments and refundable credits	3,795		
Balance due/Refund (-)	197,668		

Logging tax payable (COZ-1179)

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	
Ontario research and development tax credit – Schedule 508	41,094
Corporate minimum tax credit that can be carried forward over 20 years – Schedule 510	201,463

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
Ellexicon Energy Inc.			222,067,437	222,067,437
Ellexicon Corporation			98,645,077	98,645,077
Ellexicon Group Inc.			3,578,119	3,578,119
Total			324,290,633	324,290,633

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)
Ellexicon Energy Inc.	
Ellexicon Corporation	
Ellexicon Group Inc.	
Total	

Other provinces

Corporate name	Capital used to calculate the Newfoundland and Labrador capital deduction on financial institutions (Schedule 306)
Total	

Attached Notes – Summary

☐ Name of the cell GIFI code 8210 – Amount – Realized gains/losses on disposal of Form Sch. 8299 - Revenue

Net loss(other than retirement loss-IFRS):
Loss: -259,055
Gain: 99,066

asharma - 2020-05-19

Keep this note when rolling forward the file☐

☐ Name of the cell Line 295 – Amount Form Sch. 1 - Net income (loss) for income tax purposes

Net addition:
Addition: \$1,359,136
Deduction: -\$23,039

asharma - 2020-05-19

Keep this note when rolling forward the file☐



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		Enter one of the following:	
Ellexicon Energy Inc.		Business number (BN)	
Tax year			
From 2020-01-01 to 2020-12-31 Year Month Day Year Month Day		Social insurance number (SIN)	
050 Total number of projects you are claiming this tax year:			
6			
100 Contact person for the financial information	105 Telephone number/extension	110 Fax number	
[REDACTED]	(905) 427-9870	(905) 668-6598	
115 Contact person for the technical information	120 Telephone number/extension	125 Fax number	
[REDACTED]	(905) 427-9870	(905) 668-6598	

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

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

Code 1901

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 ☐ 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)

• 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 +	1,068,428
b) Specified employees for work performed in Canada	305 +	
Subtotal (add lines 300 and 305)	306 =	1,068,428
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 +	319,306
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 =	1,387,734

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)

Amount from line 380	420	1,387,734
Deduct		
• provincial government assistance for expenditures included on line 380	429 –	46,336
• 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 –	67,982
• sale of SR&ED capital assets and other deductions	440 –	
Subtotal (line 420 minus lines 429 to 440)	442 =	1,273,416
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 =	1,273,416
• Deduction claimed in the year (Corporations should enter this amount on line 411 of schedule T2SCH1)	460 –	1,273,416
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)

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

Note 1 – For arm's length contracts, only include 80% of the contract amount.

Part 8 – Claim checklist

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 ☒ 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. Under separate cover by Deloitte LLP	■■■■■■■■■■				
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, Lucy Lombardi, 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 2021-06-29

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 Lucy Lombardi

Name of authorized signing officer of the corporation, or individual

Signature

170 2021-06-29

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](https://www.canada.ca/cra-info-source).

Code 1901

Section A – Project identification

38.	In FY2020 there was an additional 5 O/H automated switches installed in
39.	Whitby in 2020. Work required to integrate them and communicate reliably
40.	with them.

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)

53. for radio traffic concerns in South Ajax.

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 advancement sought was to increase the understanding and the application
2. know-how; to implement distribution automation system (DAS) concepts with
3. intelligent switches to improve reliability performance in an area whose
4. performance was continuing to deteriorate. VCI wanted to use groups of
5. switches, incorporating automatic sensing and operation, to sense/isolate
6. faults, and then restore power to unaffected parts of the local network.
7. Ellexicon had examined the issues, challenges and obstacles associated with a
8. DAS pilot for the 13.8kV O/H lines and U/G cables on the 4-feeders. Its
9. analysis indicated an improvement potential to go to 24.4 minutes from 72.3
10. minutes/customer/year. Other notable achievements included: S&C self-healing
11. system - firmware upgrade, reprogramming SCADA redundancy and back up control
12. room as well as mobile SCADA control room. In FY2020 further advancements
13. were achieved with [REDACTED] software and system self-configurable based
14. solutions; The ability to accommodate future addition of the switches in the
15. self-healing system; the knowledge of repeater locations, orientations and
16. configurations; and improvement methodologies to attempt to achieve greater
17. reliability of communication paths.

Section C – Additional project information

Who prepared the responses for Section B?

253 1 ☒ Employee directly involved in the project

254 Name

255 1 ☐ Other employee of the company

256 Name

257 1 ☒ External consultant

258 Name

Deloitte LLP

259 Firm

Deloitte LLP

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

260	Names	261	Qualifications/experience and position title
1	[REDACTED]		[REDACTED]
2	[REDACTED]		[REDACTED]
3	[REDACTED]		[REDACTED]

265 Are you claiming any salary or wages for SR&ED performed outside Canada? ☐ Yes ☒ No

266 Are you claiming expenditures for SR&ED carried out on behalf of another party? ☐ Yes ☒ No

267 Are you claiming expenditures for SR&ED performed by people other than your employees? ☐ Yes ☒ No

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

268	Names of individuals or companies	269	BN
1			

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

271 1 ☒ Records of resources allocated to the project, time sheets

272 1 ☐ 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 ☒ 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 ☐ Contracts

281 1 ☒ Others, specify **282** emails

Code 1901

Section A – Project identification

38. between Veridian Connections and Whitby Hydro, as well as the pandemic
39. declaration. The year was spent in a combination of two distinct efforts:
40. accommodating the change in normal workflows due to the lockdowns and
41. accommodating the change in work procedures following the consolidation of
42. systems such as the GIS and OMS. To that end, many challenges existed such as
43. enabling Elexicon to move from a single control room to four, experimenting
44. with digitizing previously manual workflows.

1. Though development continued on the existing GIS viewer and new features were
2. added, because Microsoft has ended support of its [REDACTED]
3. (on which the GIS viewer was build) it was decided that the application would
4. be re-written as a windows 10 universal application, whose code can also be
5. used in conjunction with [REDACTED] to deploy to IOS and Android in the future.
6. Development on this began in 2016 with the plan to be deployed in later
7. fiscal periods. The deployment of the application was delayed, in part due to
8. resource constraints, and in part due to performance issues of several
9. aspects of the application. However, several trials were conducted with the
10. underlying GIS software to improve performance - this work would extend into
11. 2020. A new GIS viewer is planned for development and deployment in FY2021.
12. Because of a pending merger and because of a major set of breaking API
13. changes from a vendor, progress on the new GIS application was paused for
14. 2018, however some development was required to keep the aging [REDACTED]

49. Following the GIS consolidation, the existing tools used to export to CYME
50. were no longer compatible with the new data model. In an attempt to create a
51. reusable export from the GIS, Elexicon began to test a solution that would
52. export the GIS data to a CIM-compliant model, which could be then imported by
53. the CYME software. After multiple iterations and some development effort, it
54. was found that the Common Information Model (CIM) was not standardized or
55. well documented enough to be imported successfully by CYME. This effort has
56. been abandoned and the CYME gateway will instead be updated in 2021 to
57. conform to the new data model.

58. GIS consolidation

59. The GIS consolidation was a major initiative in 2020 where Elexicon studied
60. each of the former utilities' data models, and developed a new, future-
61. friendly GIS data model to Elexicon Energy. The migration of the existing
62. data from the two legacy systems was then catalogued, cleaned and mapped to
63. the new data model in a scripted execution that was iteratively performed,
64. tested and refined over the first 6 months of the year. All interfaces to the
65. various systems (with the exception of CYME) were also rewritten (eg.
66. Interfaces to ██████████).

67. Digitized movement forms

68. In addition to the highlighted activities, development was started in 2020 on
69. a new digital movement form application to allow asset information to be
70. collected by field crews on mobile devices (iPhone). This application was
71. built in house in order to allow the future implementation of advanced
72. functions such as using machine vision to read nameplate information. The
73. first phase of application is planned for deployment in 2021 with advanced
74. functionality, such as machine vision, to follow in subsequent years.

Page 3

Section C – Additional project information

Page 4

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)

4. simulations were run. The Ajax area has the most complex network arrangements
5. with deteriorating infrastructure and reliability performance. Unjacketed,
6. direct buried cables with brittle neutrals are failing and these failures
7. continued to be the driver of efforts to consider adding another transformer
8. station, coupled with the possibility of using cable refurbishments with
9. injections of insulating fluid. Elexicon continued experimentation with
10. refurbishing failing cables with the injection of insulating fluid and tested
11. adding a cable condition test to attempt to evaluate the methodology -
12. analysis and modifications will follow in subsequent fiscal periods.
13. The existing system models were used to investigate potential improvements in
14. the Belleville, Brockville and Clarington areas of Elexicon's service
15. territory; however no significant improvement opportunities were identified.
16. Work was spread across all districts to ensure the distribution network would
17. continue to operate well and not offer undue reliability risks. Loading was
18. assessed and potential projects were developed to improve areas with
19. limitations to growth and/or operational concerns such as inability to backup
20. areas from other surrounding supply points. In our Whitby Service Area
21. Elexicon has been working to establish an electrical system model to enable
22. load flow calculations to be conducted. Work extended into 2020 and will
23. continue in 2021.
24. We also continued work on developing new load forecasts (taking into account
25. the impact of embedded generation); long term planning for a new Transformer
26. Station south of the proposed airport land; as well as fault-level modeling.
27. Fault-level modeling is required when modeling and assessing the impact of
28. proposed units of distributed generation - that would be embedded inside the
29. Elexicon system. While mainly Solar PV proposals were involved, some wind and
30. bio-gas proposals were included in the portfolio to be reviewed. As
31. referenced already, particular attention was paid to the predicted response
32. of these proposed generators under fault conditions. Each application
33. requires thorough analysis of impacts to system reliability and the stability
34. of the supply voltage. As part of our system modelling improvements the model
35. has been updated to include all possible generation technologies,
36. jurisdictions (former Veridian and Whitby area) and GIS systems - This
37. activity continues with connected generation sites with Natural Gas and
38. Battery modelling?
39. A new Load Forecast Model [Metsco assisted in the activity] was initiated to
40. attempt to overcome ongoing uncertainties of future variations of
41. distribution voltages and the network to industrial, commercial and
42. residential end-customers with the main objective to supply the electrical
43. load to its customers safely, reliably, and economically. The power system
44. design requires suitably rated equipment and distribution lines such as
45. conductors, distribution step down substations with transformers and
46. switchgears, distribution feeders with pole mounted transformers, as well as
47. underground transformers in vaults. Furthermore, not all customers operate
48. all their equipment at the same time, and some equipment operates at less
49. than full load, thus the resultant demand on the power equipment is less than
50. the connected load. Application of factors to load demand, such as demand
51. factor, diversity factor, load factor and coincident factor help the system
52. designer optimize the design of feeders, transformers and buses/switchgears
53. for immediate load requirements and predicted future loading needs. In order
54. to meet the normal, abnormal or emergency load requirements of the area, the
55. present capacities of the feeders, transformers, switchgears and substations
56. would be analyzed and reliable future plans for upgrades to the power system
57. developed.
58. Decisions are also involved about monitoring and control requirements when
59. large capacity DG units are being proposed. As there are some known
60. constraints that Hydro One has imposed on parts of the existing system, like
61. acceptable DG penetration rates per feeder, Elexicon needs to manage and deal

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)

62. with them. While these requests are still being managed on a case-by-case
63. basis, it is anticipated there will be a future need to develop new protocols
64. as the distributed generators embedded in the Elexicon system become
65. increasingly common. In FY2020 DG analysis activities would include modelling
66. of Natural Gas Turbine power generation and Battery Storage Energy. Thorough
67. connection impact assessments (CIAs) were initiated to attempt to understand
68. how large-scale generators impact the existing Elexicon grid (i.e system
69. thermal loading, short circuit capacity, load flow and system voltage
70. profile, power quality, protection and control, upstream Hydro One
71. requirements, metering etc...). In order to complete comprehensive system
72. study, we had to construct accurate distribution system model using CYME
73. software. Then the generators also needed to be accurately modelled and
74. studied. A fine balance must be established between ensuring the safety of
75. operation and accommodating customer requirements. The volume and complexity
76. of these studies were a challenge to our utility initially. After a year of
77. refining our modelling method, we gained enough experience to accurately
78. assess these generators and work with our customer to complete the projects.
79. Also, continuing from previous periods we performed further work to predict
80. responses under fault conditions. We also continued with our analysis for
81. creating new applications of the generators. Special attention was paid to
82. develop the predicted response of these generators under fault conditions;
83. where each application required thorough analysis of the impacts to system's
84. reliability and the stability of the supply voltage. Other ongoing activities
85. included: Protection settings and coordination studies; Developed and
86. programmed for SCADA monitoring and control; and P&C work on renewable
87. generation alternatives.

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. They are, in general, a set of proposed improvements to the current
2. configuration and facilities of a distribution network - across an
3. unconsolidated service territory - that have been developed for each specific
4. area and district from the modeling and analysis studies undertaken with a
5. specialized simulation S/W tool. These proposed improvements are typically
6. the results of analyzing aspects such as: Feeder layout in an area to
7. determine new transformer locations to maximize operational flexibility and
8. minimize losses; Servicing requirements of a new proposed development to
9. understand the best connection plans to the network such as that for the
10. proposed Seaton community investigated last year through multiple analyses of
11. voltage levels and fault currents to estimate increased loading and supply
12. options with existing and possible new feeders; Substation loading across
13. Elexicon's service territories to assess its network's operability with
14. certain substations being off-line; The network's ability to handle
15. new/expanded commercial/industrial loads; Evaluation and impact analysis of
16. new distributed/embedded generators being proposed to feed into the Elexicon
17. network as a consequence of the Green Energy and Green Economy Act (GEGEA)
18. Feed-in-Tariff (FIT) and micro-FIT programs; and Examining how areas with
19. older, aging infrastructure can be reconfigured or reinforced using
20. predictive modeling/forecasting to mitigate the impacts of possible
21. substation failures during peak load times on customer service and system
22. stability, to prepare contingency operational plans to prepare Elexicon's
23. response in the event of failures, and to reduce the incidence of outages.
24. With a set of models for all sections of its service territory - from the
25. 44kV through 4.16kV levels - of its existing configurations, Elexicon had the
26. basis to investigate potential changes (via load forecast modelling) to
27. attempt to deal with, for example, the impact of load changes, potential
28. solutions to segments of the network with chronic problems, in order to
29. improve its distribution system performance from the perspectives of

Section C – Additional project information

Deloitte LLP

281 1 ☒ Others, specify **282** Emails

Project number 4

Code 1901

Section A – Project identification

P4: Smart Grid

2017-01

Year	Month

2022-12

Year Month

2.02.01

Electrical and electronic engineering

208 1 ☒ 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 ☒ No

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

220	Names of the businesses

221 BN

1

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

1. Ellexicon had developed a better understanding of the Ontario SG Forum's SG
2. definition as one that "uses sensors, monitoring, communication, automation
3. and computers to improve the flexibility, security, reliability, efficiency
4. and safety of the electricity system", and Ontario's Green Energy & Green
5. Economy Act requirements. It reviewed how existing tools/practices and those
6. under development could be incorporated into a SG framework. In addition,
7. Ellexicon investigated: (1) the state-of-the-art in SG technologies; (2)
8. actual and proposed SG-like innovations already available; (3) the principal
9. drivers for SG efforts and their impact on work either undertaken or still in
10. progress. From the data collected and analyzed, a preliminary approach was
11. developed to deploy SG concepts, techniques, methodologies & related
12. equipment. It was not, however, taken to the detailed level of a Green Plan
13. and uncertainties persisted. Smart Community Microgrid project was
14. subsequently determined to be a test bed for the company for deployment of
15. DERs for grid benefits, islanding and grid connected microgrid assets for
16. added resiliency, EV charging profiles and growth in the community, etc.
17. Testing these constructs and identifying operational procedures in this
18. environment would lead to more confidence within the utility to promote and
19. plan for higher adoption of DERs and EVs, rather than having an aversion for
20. them. The uncertainties of the activity would be associated with whether
21. residents would have sufficient system intelligence and analytics to better
22. manage their energy needs and challenges with viable solutions for
23. deploying a smart energy community in Ontario, given its unique electricity
24. grid and standards.

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. Ellexicon had started working on the Smart Community Microgrid (SCM) project
2. in a past fiscal period and the work continues into the present. It initiated
3. with a SCM demonstration project designed & developed together with the City
4. of Pickering, Marshall Homes (the developer), Opus One Solutions (technology
5. partner). The intended result was greater efficient energy use, decrease in
6. GHG consumption from reduced electricity required from the grid & lowering
7. usage at home using smart appliances & thermostats. The community would
8. generate clean electricity during the day & store electricity during the
9. night when GHG based electrons are at its lowest. Resiliency against loss of
10. power (grid failure) increased due to self-generation & storage for community

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*)

11. purposes. The site included the energy storage, roof top solar, EV charging
12. station, GridOS Distributed Energy resources management system (DERMS) to
13. provide an innovative approach to community development to provide
14. resiliency, energy conservation and demand management for the residents and
15. electric utility respectively. Extensive work continued on the site design,
16. equipment specifications were prepared and a microgrid developed and initial
17. DERMS software and interface with community storage and generation devised.
18. DERMS installation and testing was performed in a laboratory environment
19. using actual feeder parameters. Actual field work of installation and
20. construction and design continues to be in progress. Power quality failures
21. were encountered and two advanced meters were used in the follow up
22. investigation. In order to capture the power quality data, we acquired and
23. utilized [REDACTED] software. The software was
24. able to collect and export data that supports the failure was caused by a
25. large user operation.

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. Ellexicon sought to acquire the knowledge and capabilities it needed to deploy
2. and implement a range of Smart Grid concepts and technologies across its
3. existing distribution network to transition it to one that has a fully
4. intelligent infrastructure with:
5. (1) Compatible, durable and reliable equipment with built-in sensing and
6. intelligent electronic devices for monitoring, fault diagnosis, and self-
7. restoration capabilities.
8. (2) Fail-safe, robust, fast, high band-width, 2-way advanced communications
9. from customers to the grid control center.
10. (3) Centralized monitoring and control utilizing integrated data bases for
11. customer information, for asset records including their geographic locations,
12. for the management of outages, for grid operations and for making physical
13. changes to the grid infrastructure.
14. (4) Informed & intelligent operators and customers regarding electricity use
15. and the assets for local generation, distribution & storage and initiatives
16. to facilitate wise consumption for system-wide benefits; and
17. (5) Unrestricted capability to accommodate, plug-in hybrid electric vehicles
18. (EV), distributed generation (DG), and potentially energy storage. In
19. summary, an SG is one that supports the 2-way flows of electricity, data &
20. information.

21. To date, we have advanced our knowledge and general understanding on:
22. (A) the applicability of different types & capabilities of SG systems and
23. equipment - either currently commercially available or at a prototype stage -
24. to permit their evaluation with a view to establishing a set of preferred
25. concepts, techniques and methodologies that VCI could implement;
26. (B) facilitating system reliability improvements via reduced outages and
27. quicker response times and adding more visibility to the system;
28. (C) making more efficient use of existing infrastructure and reducing losses;
29. (D) empowering customers to participate in conservation; and
30. (E) Progressing towards the transition to a SG.
31. (F) Smart Community Microgrid development - understanding grid benefits,
32. islanding and grid connected microgrid assets for added resiliency, EV
33. charging profiles and growth in the community, etc. The unique methods and
34. techniques required for system intelligence and analytics would result in a
35. considerable knowledge gain.
36. (G) Power Monitoring of the Smart Grid system for the grid effects of large
37. operations on the micro-grid

Page 3

Part 2 – Project information (continued)

Project number **5**

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)			
P5: Mobile WM Application			
202 Project start date	204 Completion or expected completion date	206 Field of science or technology code (See guide for list of codes)	
2015-01 Year Month	2021-12 Year Month	2.02.01	Electrical and electronic engineering
Project claim history			
208 1 ☒ 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 ☒ 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)	
1. For a MWFMS (Mobile Workforce Management System) to be an effective tool for	
2. VCI (now Ellexicon), it must be integrated with a diverse range of existing	
3. tools and systems which include [REDACTED]	
[REDACTED]	
[REDACTED]	
[REDACTED] among others. VCI was challenged to define processes encompassed by	
7. these systems and where mobile computing could benefit them, and devise	
8. methods of interfacing such systems and processes to meet the project's	
9. objectives for VCI's MWFMS.	
10. As per previous fiscal periods, the emphasis continued to be on the software	
11. side of the MWFMS with a stated purpose of customizing existing available	
12. commercial S/W tools to the maximum extent possible. The key obstacle that	
13. VCI faced was resolving interface issues of candidate tools with its existing	
14. suite of tools and systems.	
15. Much effort was needed in a back-and-forth process with the CIS vendor to	
16. integrate with their yet-in-development business layer to allow interfaces.	
17. Once this interface was tested and complete, remaining workflows were	
18. developed and piloted with the metering group, as well as iteratively refined	
19. as per their requirements	
20. Due to the pending merger, and the difficulty with interfacing with the CIS	
21. vendor, work on the MWFM metering solution was paused. Small incremental	
22. improvements were made, and investigation continued into hardware solutions	
23. to accommodate unique workflows for field crews. Solutions were found, using	
24. a partner, for large bucket trucks but there are still solutions being sought	
25. for regular half-ton vehicles. FY2020 proved to be a year of continued	
26. business disruptions and work on the MWFM was largely focused on keeping up	
27. with interfacing systems' changes, such as the new consolidated GIS.	
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. Ellexicon continued to work with the CIS vendor to test/direct development of	
2. a business layer with which to interact. This involved several iterative	
3. development and test cycles. Once the business layer was completed to an	
4. acceptable level, development of the meter install workflow continued and was	
5. piloted, tested and iteratively improved with the end users.	
6. In addition, there were some issues with the trouble call workflow. The	
7. workflow was designed to infer the assets that were damaged and replaced	

8. based on as little input as possible from field crews. There were some
9. scenarios discovered where the software was incorrectly identifying assets
10. and so there was some significant re-engineering required to correct the
11. issues. Work continued to refine the accuracy and detail of the trouble
12. calls, enabling cleaner data that was subsequently used for more detailed
13. analytics on tree trimming activities. 2020 activities also included
14. modifying existing MWFM workflows to work with the new consolidated GIS
15. model. Work to change system inspections and add new workflows such as
16. digitized trench inspections will following in 2021.

1.	It is the capability to achieve increased back office & field resource
2.	efficiencies through the development & implementation of enhanced
3.	office/field communications using MWFMS. The objectives established for the
4.	MWFMS were to:
5.	(1) improve safe vehicle use and efficiency through a combination of software
6.	& hardware;
7.	(2) reduce or eliminate paper-based communication of in-field conditions to
8.	in-office personnel;
9.	(3) improve customer experience through faster response times & consistent,
10.	effective service;
11.	(4) provide easier access to enterprise-wide information & ensure data
12.	accuracy to/from the field ;
13.	(5) improve visibility into workforce & workload for tactical & strategic
14.	decisions; and
15.	(6) assure flexibility and scale-ability [REDACTED]

17. 2017 saw the expansion of [REDACTED] the middleware and
18. the involved systems, as well as the design and development of new workflow
19. to capture trouble calls. In addition, a new [REDACTED] was designed by a
20. vendor in cooperation with Veridian to accommodate [REDACTED] to capture
21. meter installations.
22. 2018 saw the improvement of the asset identification algorithms based on user
23. input as well as the refinement of the [REDACTED] delivered by the vendor in
24. cooperation with VCI.
25. [REDACTED] Ellexicon (VCI) continued
26. to advance the trouble call workflow to increase accuracy of the asset
27. identification algorithms.
28. 2020 saw the modification of the existing systems to match the new GIS
29. consolidated data model.

Who prepared the responses for Section B?

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

265	Are you claiming any salary or wages for SR&ED performed outside Canada?	☐ Yes	☒ No
266	Are you claiming expenditures for SR&ED carried out on behalf of another party?	☐ Yes	☒ No
267	Are you claiming expenditures for SR&ED performed by people other than your employees?	☐ Yes	☒ No

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

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.

Page 3

Part 2 – Project information (continued)

Project number 6

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)

P6: Engineering Project Design Integration

202 Project start date

2012-09

Year	Month

204 Completion or expected completion date

2022-02

Year	Month

206 Field of science or technology code
(See guide for list of codes)

2.02.01

Electrical and electronic engineering

Project claim history

208 1 ☒ 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

Section B – Project descriptions

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

1. For this project, we sought to improve our engineering standards and analysis
2. methods through the development and customization of various software tools.
3. A common problem when CAD software tools are being used to generate
4. engineering design drawings is the lack of a common methodology so that no
5. matter which designer prepares the drawings, all of the drawings released for
6. construction look the same, and use the same symbolism and conventions. The
7. problem exists in a single engineering office with multiple technical staff
8. creating drawings and tends to be much worse when multiple offices are
9. involved working on the same multi-disciplinary project.

10. The obstacles/uncertainties faced going in were:

- 11. - Understanding the criteria that should be adopted to rationalize and
- 12. standardize the existing practices used across the design staff in the
- 13. Engineering Department using the AutoCAD S/W tool for design development with
- 14. their individual approaches, practices, subroutines/macros and symbolism;
- 15. - whether or not the scope of the design work for the CAD
- 16. initiative/methodology would cover would include all aspects of the
- 17. Engineering Departments activities and not just the areas already using
- 18. AutoCAD;
- 19. - Developing and verifying the testing protocols that should be used to
- 20. verify the components of the new methodology (s) and to ensure application
- 21. consistency across all of its users.
- 22. - Understanding how to capture/characterize all of the design inputs and
- 23. allow the model to be updated through testing.
- 24. - For [REDACTED] - We anticipated a CSA ruling that would mean that linear
- 25. evaluation for guying analysis would no longer be acceptable. We needed to
- 26. develop an approach to be able to perform non-linear analysis under a wide
- 27. range of loading conditions.

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 this project, we worked on two distinct activities:
2. The first project involved using AutoCAD to standardize existing engineering
3. practices, and this project continued from prior fiscal periods. A team had
4. been formed in previous fiscal periods, with representatives from different
5. areas to contribute their expertise to the definition and specification of
6. what the new methodology had to achieve, and what its outputs had to deliver.
7. Various sessions were held before the working documents were sufficiently

8. detailed and a customizing solution in AutoCAD format could be tested and
9. trialed. Development of an AutoCAD template continued through FY2018 and was
10. subsequently completed. Work included development of a custom layer
11. structure and line types, tool palette, legend file, and drawing templates,
12. as part of the new methodology. Ongoing development included modifying the
13. interface between the AutoCAD template and the GIS tools. A new initiative
14. between Standards and GIS to resolve the export/import between CAD and GIS
15. drawings was undertaken and development continues on a plugin or browser
16. upgrade. This work takes a different approach that may be more successful.
17. It's intended to be a working solution while a more feature rich product is
18. devised. Development and customization of software tools continues.
19. The second project involved working to develop a custom software package for
20. guying analysis. The goal was to develop a model where the physical
21. properties of pole-framing equipment could be incorporated into a client
22. file. Prior to this initiative starting, we had been doing linear analysis
23. in Excel. Our goal with the non-linear approach was to evaluate the pole-
24. loading as a whole. We develop a client-file that could be incorporated into
25. the software for testing. Work continued to involve looking at all equipment
26. related to pole-framing, and inputting strengths for that equipment. Framing
27. standards were introduced and developed. The CAD template, palette, and
28. blocks library were modified through revisions driven by user feedback and
29. requests from Engineering management. In the course of development we had
30. devised overhead and underground & overhead construction standards and
31. associated policies; transitioned to CAD certified interfaces; utilized [REDACTED]
[REDACTED] client file conversion to attempt to allow for dynamic non-linear guying
33. as required by CSA; continued to observed equipment failure and investigated
34. system modifications; ongoing development of in-house [REDACTED] to CAD export
35. tools and Inter-Utility Standards.
36. Other ongoing investigations and development continued on engineer design and
37. systems integration as we sought to improve our engineering standards and
38. analysis methods through the development and customization of various
39. software tools.

1. VCI (now Elexicon) wanted to create, verify and validate a new methodology to
2. standardize the look and content of its digitally created engineering
3. drawings released for construction by either its internal line crews or
4. external line or specialist contractors. So it needed to acquire the
5. knowledge to do so. In addition, it wanted the new CAD tool, which would be
6. at the core of the new methodology, [REDACTED] so that the
7. preparation of W.O. packages could be made more efficient as well as more
8. consistent and understandable by the personnel who have to interpret the
9. drawings that these packages contain. As it did not have expertise in
10. developing solutions within AutoCAD, the tool it used for electrical drawing
11. production for infrastructure additions and modifications, Elexicon
12. recognized at the outset that it would likely need to obtain assistance from
13. an external specialist contractor. Progress towards achieving these
14. advancements was incremental over multiple fiscal periods, and further work
15. would continue. In addition, Elexicon worked to develop a non-linear method
16. for guying analysis and load-modelling under a wide range of installation
17. conditions. Unique [REDACTED] concepts continue to be devised and tested with
18. further knowledge gained ([REDACTED] to CAD export tool concepts and Inter-
19. Utility Standards models).

Who prepared the responses for Section B?

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

265	Are you claiming any salary or wages for SR&ED performed outside Canada?	☐ Yes	☒ No
266	Are you claiming expenditures for SR&ED carried out on behalf of another party?	☐ Yes	☒ No
267	Are you claiming expenditures for SR&ED performed by people other than your employees?	☐ Yes	☒ No

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

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.

Page 3

Canada Revenue
AgencyAgence 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**Corporation's name****002** Ellexicon Energy Inc.**Address of head office**Has this address changed since the last time we were notified? **010** Yes ☐ No ☒If **yes**, complete lines 011 to 018.**011** 55 Taunton Road East**012** City Province, territory, or state**015** Ajax **016** ON

Country (other than Canada) Postal or ZIP code

017 **018** L1T 3V3**Mailing address** (if different from head office address)Has this address changed since the last time we were notified? **020** Yes ☐ No ☒If **yes**, complete lines 021 to 028.**021** c/o 100 Taunton Road East**022** **023** City Province, territory, or state**025** Whitby **026** ON

Country (other than Canada) Postal or ZIP code

027 **028** L1N 5R8**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 ☒If **yes**, complete lines 031 to 038.**031** 100 Taunton Road East**032** City Province, territory, or state**035** Whitby **036** ON

Country (other than Canada) Postal or ZIP code

037 **038** L1N 5R8**040** Type of corporation at the end of the tax year (tick one)

- ☒ 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 2020-01-01 **061** 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 ☒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 ☒**Is the corporation a professional corporation that is a member of a partnership?** **067** Yes ☐ No ☒**Is this the first year of filing after:**
Incorporation? **070** Yes ☐ No ☒
Amalgamation? **071** Yes ☐ No ☒If **yes**, complete lines 030 to 038 and attach Schedule 24.**Has there been a wind-up of a subsidiary under section 88 during the current tax year?** **072** Yes ☐ No ☒If **yes**, complete and attach Schedule 24.**Is this the final tax year before amalgamation?** **076** Yes ☐ No ☒**Is this the final return up to dissolution?** **078** Yes ☐ No ☒**If an election was made under section 261, state the functional currency used** **079****Is the corporation a resident of Canada?** **080** Yes ☒ No ☐
If **no**, give the country of residence on line 081 and complete and attach Schedule 97.**081**
Is the non-resident corporation claiming an exemption under an income tax treaty? **082** Yes ☐ No ☒
If **yes**, complete and attach Schedule 91.**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****098**

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 ☒	9
Is the corporation an associated CCPC?	160 ☒	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 ☒	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 ☒	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 ☐	7
Does the corporation have any property that is eligible for capital cost allowance?	208 ☒	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 ☒	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over \$10,000,000?	234 ☒	
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?	☐	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?	☐	T1135
Did the corporation transfer or loan property to a non-resident trust?	☐	T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	☐	T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	☐	T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	☐	T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	☐	T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	☒	55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	☐	T2002
Has the corporation revoked any previous election made under subsection 89(11)?	☐	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?	☐	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?	☐	54

Additional information

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	Yes	☒	No	☐
Is the corporation inactive?	280	Yes	☐	No	☒
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	Electric Power Distribution in Canada		285	100.000 %
	286			287	%
	288			289	%
Did the corporation immigrate to Canada during the tax year?	291	Yes	☐	No	☒
Did the corporation emigrate from Canada during the tax year?	292	Yes	☐	No	☒
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 GIFL	300	30,314	A
Deduct:			
Charitable donations from Schedule 2	311	22,736	
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	7,578	
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			
Subtotal		30,314	a
Subtotal (amount A minus amount B) (if negative, enter "0")		30,314	B
Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355		C
Taxable income (amount C plus amount D)	360		D
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	30,314	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:

- 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.
- 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 ***	707,154	D	=	31,429,067	E
				11,250				

Passive income business limit reduction

Adjusted aggregate investment income from Schedule 7****	417	-	50,000	=		F
Amount C	500,000	x	Amount F	=		G
	100,000					

The greater of amount E and amount G 422 31,429,067 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	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	M Income paid under clause 125(1)(a)(i)(B) to the corporation identified in column L ³	N Business limit assigned to corporation identified in column L ⁴
	490	500	505
1.			

Total 510 Total 515

Notes:

- 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
 - 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
 - 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
 - persons (other than the private corporation) with which the corporation deals at arm's length, or
 - 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.
- 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.

Canadian-controlled private corporations throughout the tax year

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

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						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)					K	
		x	30 2 / 3 %	=		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)	3,783,428	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")	3,783,428	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

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** 296,048Total tax payable **770** 296,048 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** 400,000Total credits **890** 400,000 ▶ 400,000 B

Balance (amount A minus amount B) -103,952

Refund code **894** 1

Refund 103,952

Direct deposit request

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

☐ Start ☐ Change information **910** Branch number

914 Institution number **918** Account number

If the result is negative, you have 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.

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 I4652

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

Certification

I, **950** Lombardi **951** Lucy **954** CFO,VP,Regulatory Affairs

Last name First name 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 2021-06-29
Date (yyyy/mm/dd)

Signature of the authorized signing officer of the corporation

956 (905) 427-9870
Telephone number

Is the contact person the same as the authorized signing officer? If **no**, complete the information below

957 Yes ☐ No ☒**958** Name of other authorized person**959** (905) 427-9870
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

Schedule of Instalment Remittances

Name of corporation contact	Ellexicon Energy Inc
Telephone number	(905) 427-9870

Effective interest date	Description (instalment remittance, split payment, assessed credit)	Amount of credit
	Instalments	400,000
Total amount of instalments claimed (carry the result to line 840 of the T2 Return)		400,000 A
Total instalments credited to the taxation year per T9		400,000 B

- Transfer

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

SCHEDULE 100

Form identifier 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIF1

Corporation's name	Business number	Tax year end Year Month Day
Ellexicon Energy Inc.		2020-12-31

Balance sheet information

Account	Description	GIFI	Current year	Prior year
Assets				
	Total current assets	1599 +	88,875,082	75,281,930
	Total tangible capital assets	2008 +	566,375,117	521,609,138
	Total accumulated amortization of tangible capital assets	2009 –	105,444,333	87,450,682
	Total intangible capital assets	2178 +	85,540,305	81,532,082
	Total accumulated amortization of intangible capital assets	2179 –	13,790,300	11,920,734
	Total long-term assets	2589 +	26,912,147	15,145,335
	* Assets held in trust	2590 +		
	Total assets (mandatory field)	2599 =	648,468,018	594,197,069

Liabilities				
	Total current liabilities	3139 +	85,887,551	87,925,747
	Total long-term liabilities	3450 +	339,512,095	285,008,450
	* Subordinated debt	3460 +		
	* Amounts held in trust	3470 +		
	Total liabilities (mandatory field)	3499 =	425,399,646	372,934,197

Shareholder equity				
	Total shareholder equity (mandatory field)	3620 +	223,068,372	221,262,872

	Total liabilities and shareholder equity	3640 =	648,468,018	594,197,069

Retained earnings				
	Retained earnings/deficit – end (mandatory field)	3849 =	48,188,516	45,399,581

* 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
Ellexicon Energy Inc.		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	+	551,934,496	353,024,190
Cost of sales	8518	-	472,647,888	294,933,977
Gross profit/loss	8519	=	79,286,608	58,090,213
Cost of sales	8518	+	472,647,888	294,933,977
Total operating expenses	9367	+	70,089,676	51,894,058
Total expenses (mandatory field)	9368	=	542,737,564	346,828,035
Total revenue (mandatory field)	8299	+	554,792,403	354,860,757
Total expenses (mandatory field)	9368	-	542,737,564	346,828,035
Net non-farming income	9369	=	12,054,839	8,032,722

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	=	12,054,839	8,032,722

Total – other comprehensive income	9998	=	-983,435	-488,701

Extraordinary items and income (linked to Schedule 140)

Extraordinary item(s)	9975	-		
Legal settlements	9976	-		
Unrealized gains/losses	9980	+		-82,436
Unusual items	9985	-		
Current income taxes	9990	-	353,032	-50,603
Future (deferred) income tax provision	9995	-	-956,940	438,597
Total – Other comprehensive income	9998	+	-983,435	-488,701
Net income/loss after taxes and extraordinary items (mandatory field)	9999	=	11,675,312	7,073,591

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 Ellexicon Energy Inc.	Business number [REDACTED]	Tax Year End Year Month Day 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 ☒ No ☐

Is the accountant connected* with the corporation? **097** Yes ☐ No ☒

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	☒
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 ☒

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 ☒ No ☐

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

Are subsequent events mentioned in the notes? **104** Yes ☐ No ☒

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

Is contingent liability information mentioned in the notes? **106** Yes ☒ No ☐

Is information regarding commitments mentioned in the notes? **107** Yes ☒ No ☐

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

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	-3,465,541	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.

Corporation's name	Business number	Tax year end Year Month Day
Ellexicon Energy Inc.	██████	2020-12-31

General Index of Financial Information

Notes to the financial statements

Ellexicon Energy Inc. ("EEI" or the "Company") was incorporated on April 1, 2019 under the Business Corporation Act (Ontario) by amalgamation (note 2) of the former entities: Veridian Connections Inc. ("Veridian") and Whitby Hydro Electric Corporation ("Whitby Hydro"). It is a wholly owned subsidiary of Ellexicon Corporation (the "Corporation"). The Company is licensed by the Ontario Energy Board (the "OEB") as an electricity distributor which distributes electricity in the cities of Belleville and Pickering, the towns of Ajax, Whitby, Gravenhurst, Port Hope and Uxbridge, and the communities of Bowmanville, Newcastle, Orono, Beaverton, Cannington, Sunderland and Port Perry. The Company's registered office is located at 55 Taunton Road East, Ajax, Ontario L1T 3V3.

For accounting purposes, Veridian was deemed the acquirer under the Amalgamation Transaction. Consequently, the opening balances in these financial statements are the balances of former Veridian as at March 31, 2019.

1. Significant accounting policies:

(a) Basis of presentation:

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These financial statements are presented in Canadian dollars, which is the Company's functional currency. The financial statements have been prepared on the historical cost basis, except for employee future benefits and certain financial instruments that are measured at fair value. Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.

(b) Regulated environment:

The Company is an electricity distributor licensed by the OEB. It is regulated by the OEB under authority of the Ontario Energy Board Act, 1998. The OEB is charged with the responsibility of approving or setting rates for the transmission and distribution of electricity and the responsibility of ensuring that distribution companies fulfill obligations to connect and service customers.

The Ontario Energy Board Act, 1998 sets out guiding objectives for the OEB:

- . To protect the interests of consumers with respect to prices and the adequacy, reliability and quality of electricity service;

1. Significant accounting policies (continued):

- . To promote economic efficiency and cost effectiveness in the generation, transmission, distribution, sale and demand management of electricity and to facilitate the maintenance of a financially viable electricity industry;

- . To promote electricity conservation and demand management in a manner consistent with the policies of the Government of Ontario, including having regard to the consumer's economic circumstances;

- . To facilitate the implementation of a smart grid in Ontario; and

- . To promote the use and generation of electricity from renewable energy sources in a manner consistent with the policies of the Government of Ontario, including the timely expansion or reinforcement of transmission systems and distribution systems to accommodate the connection of renewable energy generation facilities.

The Company is responsible for charging its customers the following revenue:

- . Commodity revenue - The commodity revenue is pass-through revenue for amounts payable to third parties. This revenue represents the costs of electricity consumed by the customers and passed through to the Independent Electricity System Operator ("IESO"). It also includes global adjustment revenue for non-regulated price plan consumers.

- . Wholesale market services ("WMS") revenue - The WMS revenue represents

Corporation's name	Business number	Tax year end Year Month Day
Exelicon Energy Inc.	■■■■■■■■■■	2020-12-31

General Index of Financial Information

Notes to the financial statements

the recovery of wholesale market costs for the IESO to operate the electricity market and maintain the system. This revenue is passed through to the IESO.

. Retail transmission service rate ("RTSR") revenue - The RTSR revenue represents the recovery of costs incurred for transmission of electricity to local distribution networks. This revenue is passed through to operators of transmission facilities.

. Electricity distribution revenue - The electricity distribution revenue represents the recovery of costs incurred by EEI in delivering the electricity to its customers.

The OEB in March 2020 extended the ban on disconnecting residential and other low volume customers to July 31, 2020. This decision was made due to the Covid-19 pandemic as a payment relief measure implemented to assist customers. The Company followed OEB guidelines related to the ban on disconnections due to non-payment of the electricity bills by the customer.

1. Significant accounting policies (continued):

Electricity distribution rates:

Electricity distribution rates include both fixed monthly rates per customer and variable rates per kWh usage or kW demand. In 2015, the OEB released a policy that for residential electricity customers only, distribution delivery costs will be recovered through a monthly, fixed service charge. The policy set out that the transition to a fully fixed rate would occur over four years beginning in 2016. All EEI residential customer rates have transitioned with the exception of Seasonal Residential customers for the Veridian rate zone. The Seasonal Residential rates will be fully transitioned in 2021 which is consistent with OEB decisions. These distribution rates are subject to regulation by the OEB.

For the distribution revenue, the Company typically files a Cost of Service ("COS") rate application with the OEB approximately every five years for each of the rate zones. The COS filing timeline may be extended if the Company is able to maintain good reliability and operations under the existing approved rate structure, and has either received approval by the OEB for such a deferral or has elected to follow the Annual Incentive Rate Setting Index ("Annual IR Index") approach. The COS 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 Company's business. The Company 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; rates are approved based upon this review, including any revisions resulting from the review.

In intervening years, the OEB regulates electricity rates for distributors through three different rate setting options: Price Cap Incentive Rate-setting, Custom Incentive Rate-setting, and Annual Incentive Rate-setting Index.

The Company has two distinct rate zones for Veridian and Whitby with rate years effective May 1, and January 1, respectively. The OEB has approved a transition to a January 1 rate year in 2021 for the Veridian rate zone in order to provide for more consistent and efficient rate setting across both rate zones. The Company's Veridian rate zone follows the Price Cap Incentive Rate-setting method. The Whitby rate zone shifted to the Annual Incentive Rate-setting Index in 2018 as required by the OEB when a distributor requests deferral of a cost of service rate application for an extended period of time. Both options set a distributor's rates through a formula-based mechanism using a price cap index, but apply different stretch factors.

Corporation's name	Business number	Tax year end Year Month Day
Exelicon Energy Inc.	██████████	2020-12-31

General Index of Financial Information

Notes to the financial statements

1. Significant accounting policies (continued):

Prior to the merger, Veridian rate zone last filed a COS application in October 2013 for rates effective May 1, 2014. Whitby rate zone filed a COS in January 2010 for rates effective May 1, 2010, and through settlement received approval for rates effective January 1, 2011. Pursuant to the completion of amalgamation on April 1, 2019 after receiving OEB approval, the Company intends to defer a COS rate application for a period of ten years from the date of the merger closing.

(c) Revenue recognition:

(i) Electricity distribution and sale:

Revenue from the sale of electricity is recognized over time as the performance obligations are satisfied as the electricity is transferred to the customer. The value of which is determined on the basis of cyclical meter readings plus the estimated customer usage since the last meter reading date to the end of the year. Revenue from the sale of electricity includes an estimate of unbilled revenue accrued in respect of electricity delivered but not yet billed at year end. Unbilled revenue is calculated based on OEB-approved rates for electricity consumption and electricity demand driven by number of days between a customer's last meter reading in the year and December 31. Actual billed revenue could differ from estimates due to energy demand, weather, line losses and changes in the composition of customer classes.

The difference between the amounts charged to customers, based on regulated rates, and the corresponding cost of electricity and non-competitive electricity service costs billed monthly by the IESO, is recorded as a settlement variance. In accordance with IFRS 14, Regulatory Deferral Accounts ("IFRS 14"), which permits a rate-regulated entity to continue to recognize and measure regulatory deferral account balances in accordance with its previous generally accepted accounting principles ("GAAP"), this settlement variance is presented within regulatory balances on the balance sheet and within net movements in regulatory balances, net of tax on the statement of income and comprehensive income.

1. Significant accounting policies (continued):

Distribution revenue is recorded based on OEB-approved distribution rates to recover the costs incurred by the Company in delivering electricity to customers. Revenue is recognized over time as the performance obligations are satisfied as the electricity is transferred to the customer. The value of which is determined on the basis of cyclical meter readings plus the estimated customer usage since the last meter reading date to the end of the year. Distribution revenue also includes revenue related to collection of specific OEB-approved rate riders.

The carrying amount of accounts receivable is measured at amortized cost and reduced through an allowance for doubtful accounts equal to the lifetime expected credit losses to be recognized at the reporting date.

(ii) Other income:

Other income, which includes revenue from electricity distribution-related services, is recognized as services are rendered. Capital contributions received from electricity customers to construct or acquire property, plant and equipment ("PP&E") for the purpose of connecting a customer to a network 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 to receive ongoing access to electricity. The Company 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 term of the contract with the customer.

Corporation's name	Business number	Tax year end Year Month Day
Exlexicon Energy Inc.	██████	2020-12-31

General Index of Financial Information

Notes to the financial statements

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 contributions. 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 contributions. The deferred contributions, which represents the Company'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 term of the contract with the customer.

1. Significant accounting policies (continued):

Government grants and the related performance incentive payments under Conservation and Demand Management ("CDM") programs are recognized as income in the year when there is reasonable assurance that the program conditions have been satisfied and the payment will be received. Revenues and costs associated with CDM programs are presented using the net basis of accounting and recorded in other income.

(iii) Deferred revenue:

Amounts received in advance but not yet spent in relation to the IESO supported CDM initiatives and Affordability Fund Trust from the Government of Ontario are presented as deferred revenue (note 11).

(d) Rate setting:

The electricity distribution rates of the Company are subject to regulation by the OEB and these rates are based on a revenue requirement that includes a rate of return of 9.36% for the Veridian rate zone, and 9.66% for the Whitby rate zone.

The Company's 2020 rates were approved by the OEB under a Price Cap Incentive Rate- setting application for Veridian rate zone, and an Annual Incentive Rate-setting Index for the Whitby rate zone. During the year, the Whitby rate zone implemented OEB approved rates effective January 1. The Company elected to defer implementation of the 2020 rates for the Veridian rate zone from May 1, 2020 to January 1, 2021 to assist customers during the COVID-19 pandemic. This timing aligns with the Company's request and OEB approval to shift the Veridian rate year to January 1 starting in 2021.

On January 30, 2014, the IASB issued an interim standard, IFRS 14, to enhance the comparability of financial reporting by entities that are engaged in rate-regulated activities. IFRS 14 describes regulatory deferral account balances as amounts of expense or income that would not be recognized as assets or liabilities in accordance with other standards, but that qualify to be deferred in accordance with this standard because the amount is included, or is expected to be included, by the rate regulator in establishing the prices that an entity can charge to customers for rate-regulated goods or services.

1. Significant accounting policies (continued):

The scope of this standard is limited to first-time adopters of IFRS and will remain in force until either repealed or replaced by permanent guidance on rate-regulated accounting from the IASB. The interim standard introduced new presentation requirements and permitted first-time adopters to continue to recognize amounts related to rate regulation in accordance with Chartered Professional Accountants of Canada Handbook Part V - Pre-changeover Accounting Standards (subsequently referred to as "previous Canadian GAAP") requirements and was effective from January 1, 2016, with early application permitted. The Company's former entities elected to early adopt IFRS 14 in their 2015 financial statements under IFRS, with a transition date of January 1, 2014 and determined that regulatory balances arising from rate-regulated

Corporation's name	Business number	Tax year end Year Month Day
Elexicon Energy Inc.	■■■■■■■■■■	2020-12-31

General Index of Financial Information

Notes to the financial statements

activities qualify for the application of regulatory accounting treatment in accordance with IFRS 14 and the accounting principles prescribed by the OEB in the "Accounting Procedures Handbook for Electricity Distributors".

The IASB's comprehensive project on rate-regulated activities is addressing whether IFRS should require entities operating in rate-regulated environments to recognize assets and liabilities arising from the effects of rate regulation. The IASB has published the Exposure Draft "Regulatory Assets and Regulatory Liabilities", which sets out proposals that aim to give investors better information about the financial performance of companies that are subject to rate regulation. The deadline for submitting comments on the Exposure Draft is June 30, 2021. The IASB will consider feedback on the Exposure Draft in developing the final requirements.

In December 2018, the IASB tentatively decided on presentation & disclosure requirements under the new accounting model for 'defined rate regulation' and its interaction with IFRS standards.

The OEB has the general power to include or exclude costs, revenues, losses or gains in the rates of a specific year, resulting in a change in the timing of accounting recognition from that which would have applied in an unregulated company. Such change in the timing involves the application of rate-regulated accounting, giving rise to the recognition of regulatory balances. The Company's regulatory debit balances represent certain amounts receivable from future customers and costs that have been deferred for accounting purposes because it is probable that they will be recovered in future rates. In addition, the Company has recorded regulatory credit balances, which represent obligations that are expected to be refunded to customers or future customers. The netting of regulatory debit and credit balances is not permitted under IFRS 14.

1. Significant accounting policies (continued):

(e) Cash and cash equivalents:

Cash and cash equivalents are defined as cash, bank indebtedness and bank term deposits or equivalent financial instruments with original maturities upon issue of less than 90 days. Cash and cash equivalents are measured at amortized cost.

(f) Materials and supplies:

Materials and supplies, which consists of parts and supplies acquired for internal construction or consumption, are valued at the lower of cost and net realizable value. Cost is determined on a weighted moving average basis. Any write-downs taken on materials and supplies are reversed if and when net realizable value subsequently recovers. Major spare parts and standby equipment are recorded as part of PP&E and depreciated once they are available for use.

No amounts were written down due to obsolescence in the year.

(g) Property, plant and equipment:

PP&E purchased or constructed by the Company are recorded at cost less accumulated depreciation. Costs include contracted services, materials, labour, engineering costs, directly attributable overheads and capitalized borrowing costs during construction when applied. Subsequent costs are capitalized only when it is probable that the future economic benefits associated with the costs will flow to the Company and the costs can be measured reliably. Certain assets may be acquired or constructed with financial assistance in the form of contributions from developers or customers. These contributions are used to connect customers to the Company's network and provide them with ongoing access to the supply of electricity. The contributions are recognized as deferred contributions and amortized into other income over the life of the related asset.

Upon energization of residential subdivision assets, a developer obligation

Corporation's name	Business number	Tax year end Year Month Day
Exlexicon Energy Inc.	■■■■■■■■■■	2020-12-31

General Index of Financial Information

Notes to the financial statements

is accrued (as per the offer to connect contract) for the amounts payable to the developer for the Company's investment in the subdivision.

1. Significant accounting policies (continued):

Depreciation of PP&E is charged to net income on a straight-line basis over their estimated service lives at the following annual rates:

Land rights	2.0%
Buildings	2.0% - 6.7%
Distribution station equipment	1.7% - 4.0%
Transmission and distribution system	1.7% - 10.0%
Meters	4.0% - 6.7%
Office equipment	10.0%
Computer hardware	20.0% - 33.3%
Vehicle fleet	6.7% - 16.7%
Renewable power generation	4.0%

The depreciation method, useful lives, and residual values are reviewed each financial year- end with the effect of any changes in estimate being accounted for on a prospective basis. Estimated useful lives reflect the best estimate and actual lives of assets may vary from estimated useful lives.

Construction in progress comprises PP&E under construction, assets not yet placed into service and pre-construction activities related to specific projects expected to be constructed.

Construction in progress, land rights, major spare parts and standby equipment are not subject to depreciation until these assets are available for use. Land is not depreciated.

Borrowing costs directly attributable to the acquisition, construction or development of qualifying assets that necessarily take a substantial period of time to prepare for their intended use are capitalized, until such time as the assets are substantially ready for their intended use. The weighted average cost of long-term borrowings is used as the capitalization rate.

Qualifying assets are considered to be those that take in excess of six months to construct.

When portions of the Company's distribution facilities are replaced or relocated, the associated costs less the salvage value of any material returned to materials and supplies are capitalized to the new asset. Depreciation is then recorded at the same rate used for the original asset.

1. Significant accounting policies (continued):

Some of the Company's distribution assets, particularly those located on unowned easements and rights-of-way, may have decommissioning obligations, constructive or otherwise. The majority of the Company's easements and rights-of-way are subject to extension or renewal and are expected to be available for a perpetual duration. As the Company expects to use the majority of its installed assets into perpetuity, no removal date can be determined and consequently no reasonable estimate of the fair value of such asset retirement obligations can be made. If, at some future date, it becomes possible to estimate the fair value cost of removing the assets that the Company is legally or constructively required to remove, a related asset retirement obligation will be recognized at that time.

Assets are derecognized at their carrying value upon retirement or when no remaining economic benefits are expected from its use. The related gain or loss arising on the disposal or retirement is determined as the difference between the proceeds from sale and the carrying value of the asset and is included in net income for the related fiscal year. The cost of replacing a part of an item of PP&E is recognized as an addition to the carrying amount of the asset and the carrying amount of the replaced part is derecognized. The cost of the day- to-day servicing of PP&E assets is recognized in net income as incurred.

Corporation's name	Business number	Tax year end Year Month Day
Exlexicon Energy Inc.	■■■■■■■■■■	2020-12-31

General Index of Financial Information

Notes to the financial statements

(h) Intangible assets:

Intangible assets acquired, or internally developed, are recognized initially at cost and comprised of purchased software, labour, consulting costs, directly attributable overheads and capitalized borrowing costs, if applicable. Intangible assets qualifying for capitalized borrowing costs are considered to be those assets that take in excess of six months to develop. Following initial recognition, intangible assets are carried at cost, net of any accumulated amortization and accumulated impairment losses.

Amortization of intangible assets is provided on a straight-line basis over the estimated service lives at the following annual rates:

Application software and intellectual property 33.3%

Internally generated software 20.0%

1. Significant accounting policies (continued):

Software in development is not subject to amortization. The above-noted amortization rates apply to assets held within the application software and other intangible asset grouping (note 5). The amortization method, useful lives, and residual values are reviewed each financial year-end with the effect of any changes in estimate being accounted for on a prospective basis. Estimated useful lives reflect the best estimate and actual lives of assets may vary from estimated useful lives.

(i) Goodwill:

Goodwill represents the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. It is allocated from the acquisition date to the Company's rate regulated cash generating unit ("CGU") that is expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

Goodwill is measured at cost less accumulated impairment losses, if any, and not amortized. Impairment testing for goodwill is carried out at each reporting date in the context of the CGU by comparing carrying amount with its recoverable amount. The recoverable amount of an asset or CGU is the greater of an asset's or CGU fair value less costs of disposal and its value in use.

Impairment losses are recognized in net income. Impairment losses relating to CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGUs and then to reduce the carrying amounts of the other assets in the CGUs on a pro rata basis. An impairment loss in respect of goodwill is not reversed.

(j) 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 that asset.

1. Significant accounting policies (continued):

(k) Impairment of non-financial assets:

The carrying costs of non-financial assets: PP&E and finite lived intangible assets is reviewed for impairment at each reporting date to determine whether there is any indication of impairment, in which case, the asset's recoverable amount is estimated.

Goodwill and intangible assets with indefinite lives are tested for impairment annually and when circumstances indicate that the recoverable amount of an asset or cash generating unit ("CGU") may be below their carrying value. The recoverable amount of an asset or CGU is the greater of its value in use and fair value less costs of disposal. The value in use

Corporation's name	Business number	Tax year end Year Month Day
Exlexicon Energy Inc.	██████	2020-12-31

General Index of Financial Information

Notes to the financial statements

calculation requires an estimate of the future cash flows expected to arise from the CGU, a suitable discount rate in order to calculate a present value as a basis for determining impairment and an estimated terminal value calculated by discounting the final year in perpetuity.

For the regulated business, the carrying costs of most of the Company's non-financial assets are included in rate base (the aggregate of approved investment in PP&E and intangible assets, excluding work in progress, less accumulated depreciation and amortization and unamortized capital contributions from customers, plus an allowance for working capital) where they earn an OEB-approved rate of return. Asset carrying values and the related return are recovered through approved rates. As a result, such assets are only tested for impairment in the event that the OEB disallows recovery, in whole or in part, or if such a disallowance is judged to be probable. Impairment is tested at the CGU level, which is the smallest identifiable group of assets that generates independent cash flows. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount and is recognized in net income.

(l) Customer deposits and advance payments:

Customers may be required to post security deposits to obtain electricity or other services. Interest is paid on customer deposits at rates prescribed by the OEB: this is currently interest at Canada's prime business rate less 2.00%, which was 0.45% per annum as of December 31, 2020. The Company receives advance payments from customers in relation to construction projects and recognizes them as a liability until the projects are completed.

1. Significant accounting policies (continued):

Customer deposits are measured at amortized cost.

(m) Employee benefits:

(i) Short-term employee benefits:

The Company provides short-term employee benefits, such as: salaries, employment insurance, short-term compensated absences, health and dental care. These benefits are recognized as the related service is rendered and is measured on an undiscounted basis. Short-term employee benefits are recognized as an expense unless they qualify for capitalization as part of the cost of an item of materials and supplies, PP&E, intangible assets or recoverable projects. A liability is recognized in respect of any unpaid short-term employee benefits for services rendered in the reporting year. The Company recognizes a current liability for the expected cost of accumulated non-vested sick leave benefits at the end of the reporting year. The assumptions used for estimating the amount of the liability are analogous to those used in the valuation of employee future benefits.

(ii) Defined benefit pension plan:

The Company accounts for its participation in the Ontario Municipal Employees Retirement System ("OMERS"), a multi-employer public sector pension fund, as a defined contribution plan.

OMERS plan is a multi-employer defined benefit plan providing pension to employees of municipalities, local boards, public utilities and school boards. It is funded by equal contributions from participating employers and employees, as well as by investment earnings of the plan. Each year, an independent actuary determines the plan's funded status by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. OMERS does not track its investments by employer and actuarial assumptions are developed based on the entire plan membership on a commingled basis and, therefore, information for individual plans cannot be determined. As a result, the Company accounts for the OMERS plan as a defined contribution plan and contributions to the plan are recognized as an employee benefit expense.

Corporation's name	Business number	Tax year end Year Month Day
Exelicon Energy Inc.	■■■■■■■■■■	2020-12-31

General Index of Financial Information

Notes to the financial statements

1. Significant accounting policies (continued):

(iii) Employee future benefits:

The Company provides all employees with life insurance benefits, as well as pays certain medical benefits on behalf of some of its retired employees. The Company actuarially determines the cost of employee future benefits offered to employees. These unfunded plans are accounted for as defined benefit obligations. The Company applies the projected benefit method, prorated on service and based on management's best estimates and assumptions. Under this method, the projected employee future benefits is deemed to be earned on a pro rata basis over the years of service in the attribution year commencing at date of hire, and ending at the earliest age the employee could retire and qualify for benefits.

Remeasurements of the net benefit liability comprise actuarial gains or losses that are recognized in the balance sheet with a credit or charge to other comprehensive income or loss. Current service costs are allocated to operating, maintenance and administration expenses and to capital recognized in the balance sheet.

(n) Income taxes:

Under the Electricity Act, 1998, the Company is required to make payments in lieu of corporate income taxes ("PILs") to the Ontario Electricity Financial Corporation. These payments are calculated in accordance with the rules for computing income and other relevant amounts contained in the Income Tax Act (Canada) and the Corporations Tax Act (Ontario) as modified by the Electricity Act, 1998, and related regulations. References in these financial statements to income taxes are with respect to PILs.

The Company uses the asset and liability method of accounting for the tax effect of temporary differences between the carrying amount and the tax bases of the Company's assets and liabilities. Temporary differences arise when the realization of an asset or the settlement of a liability would give rise to either an increase or decrease in the Company's income taxes payable in the year or a later year.

1. Significant accounting policies (continued):

Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates at the reporting date, expected to apply to taxable income in the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of comprehensive income in the year that includes the date of enactment or substantive enactment.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that the related tax benefits will be realized. Previously unrecognized deferred tax assets are reassessed at each balance sheet date and are recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. A valuation allowance is recorded against a deferred tax asset to the extent that the Company determines that it is probable that a deferred income tax asset will not be realized in the future.

Where the Company expects the deferred taxes to be recovered from or refunded to customers as part of the rate setting process, the deferred income tax assets and liabilities result in regulatory deferral debit balances or credit balances, respectively. Deferred tax assets that are not included in the rate-setting process result in a deferred tax provision that is charged or credited to the statement of income and comprehensive income.

(o) Provisions and contingencies:

The Company recognizes provisions if, as a result of a past event, there is a

Corporation's name	Business number	Tax year end Year Month Day
Elexicon Energy Inc.	■■■■■■■■■■	2020-12-31

General Index of Financial Information

Notes to the financial statements

present legal or constructive obligation that can be measured 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, where appropriate, the risks specific to the liability.

The evaluation of the likelihood of the contingent events requires judgment by management as to the probability of exposure to potential gain or loss. Actual results could differ from these estimates.

1. Significant accounting policies (continued):

(p) Leases:

At inception of a contract, the Company assess whether the contract is or contains a lease. A contract is determined to contain a lease if it provides the Company 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 Company recognizes a right-of-use asset and a lease liability at the lease commencement date.

The Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. The Company 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 pre- payments, 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 measured at cost less accumulated depreciation and accumulated impairment losses and adjusted for certain re-measurements of the lease liability. The right of use asset is depreciated using the straight-line method over the shorter of the lease term and the estimated remaining useful life of the asset.

The lease liability is initially measured at the present value of the remaining lease payments, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The Company has elected to use a single discount rate for all lease portfolios with reasonably similar characteristics.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments, or a lease modification. 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.

The Company has elected not to recognize right of use assets and lease liabilities for short term and low value leases. The Company recognizes the lease payments associated with these leases as an expense on a straight line basis over the lease term.

1. Significant accounting policies (continued):

(q) Use of judgments and estimates:

The preparation of financial statements requires management to make estimates, judgments and assumptions: within reasonable limits of materiality and within the framework of the significant accounting policies, that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the year. Due to inherent

Corporation's name	Business number	Tax year end Year Month Day
Exelicon Energy Inc.	■■■■■■■■■■	2020-12-31

General Index of Financial Information

Notes to the financial statements

uncertainty involved in making such estimates, actual results reported in future years could differ from those estimates recorded in preparing these financial statements, including changes as a result of future decisions made by the OEB or the Minister of Energy.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment is included in the following financial notes.

- (i) Note 1(c)(i) - measurement of unbilled revenue;
- (ii) Note 1(g), (h) - estimation of useful lives of PP&E and intangible assets;
- (iii) Note 1(c)(i), 1(d) and note 7 - recognition and measurement of regulatory balances;
- (iv) Note 1(m)(ii), (iii) and note 16 - measurement of employee future benefits: key actuarial assumptions;
- (v) Note 1(o) - recognition and measurement of provisions and contingencies;
- (vi) Note 1(c)(i) and note 24(c) - expected credit losses; and
- (vii) Note 1(i), note 2 and note 5(b) - determining goodwill value-in-use.

Management is required to make significant judgements in the area of:

Note 1(n) and note 8 - recognition of deferred tax assets - availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be used.

Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected. Estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experience and other factors that are considered to be relevant.

1. Significant accounting policies (continued):

(r) Non-derivative financial instruments:

All non-derivative financial assets are classified as loans and receivables and all non-derivative liabilities are classified as other liabilities.

These financial instruments are recognized initially at fair value plus any directly attributable transaction costs. Subsequently, they are measured at amortized costs using the effective interest method less any impairment for the financial assets, as described in note 1(j) and 24(c).

(s) Derivative financial instruments:

Derivative financial instruments are measured at their fair value upon initial recognition and on each subsequent reporting date.

The Company has not elected to apply hedge accounting for its interest rate swap contracts and does not enter into derivative agreements for speculative purposes. Changes in the fair value of the derivatives are recorded each year in the statement of income and comprehensive income.

(t) Capital disclosures:

The Company's objectives with respect to its capital structure are to maintain effective access to capital on a long-term basis, at reasonable rates, and to deliver the appropriate financial returns. The Company's definition of capital includes shareholder's equity, short-term debt, bank indebtedness and long-term debt, less cash and cash equivalents.

During the year, there have been no changes to how the Company assesses its capital structure.

(u) Changes in accounting policies:

The following amended standards and interpretations (effective from January 1, 2020) do not have a significant impact on the Company's financial statements:

. Definition of Material (Amendments to International Accounting Standard ("IAS") 1, Presentation of Financial Statements and IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors); and

Corporation's name	Business number	Tax year end Year Month Day
Exlexicon Energy Inc.	██████	2020-12-31

General Index of Financial Information

Notes to the financial statements

. Definition of a Business (Amendments to IFRS 3).

1. Significant accounting policies (continued):

(v) New standards and interpretations not yet adopted:

The IASB issues new standards, amendments and interpretations which do not have to be adopted in the current year. The Company continues to analyze these standards and interpretations, described below, which the Company anticipates might have an impact on its financial statements or note disclosures:

(i) Classification of Liabilities as Current or Non-current (Amendments to IAS 1):

In January 2020, the IASB issued amendments to IAS 1 relating to the classification of liabilities as current or noncurrent. Specifically, the amendments clarify one of the criteria in IAS 1 for classifying a liability as non-current - that is, the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments are effective for annual reporting periods beginning on or after January 1, 2023, with early adoption permitted.

(ii) Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets ("IAS 37")):

In May 2020, the IASB issued amendments to IAS 37 regarding costs that should be included as the cost of fulfilling a contract when assessing whether a contract is onerous. The amendments clarify that the cost of fulfilling the contract comprises all costs that relate directly to the contract. Such costs include both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. The amendments apply to contracts existing at the date when the amendments are first applied. The amendments are effective for annual periods beginning on or after January 1, 2022, with early adoption permitted.

The Company is currently assessing the impact of the above amendments on its financial statements.

2. Business combinations:

On April 1, 2019, Veridian amalgamated with Whitby Hydro to form the Company. Under the Amalgamation Transaction, shares of the former Veridian and Whitby Hydro were exchanged for the voting common shares of the Company. The Amalgamation Transaction has been recognized as a business combination in accordance with IFRS 3, Business Combinations using the acquisition method with the former Veridian deemed as the acquirer based on its relative size compared to that of the former Whitby Hydro. These financial statements include: the net fair value of the assets of former Whitby Hydro as at April 1, 2019; and the net assets of Veridian at its carrying amounts at April 1, 2019. Whitby Hydro contributed revenue including electricity sales of \$79,339 since the amalgamation date to December 31, 2019. Acquisition-related costs of \$3,042 were incurred for the period from April 1, 2019 to December 31, 2019 and are included in administration expenses. The amalgamation is expected to result in more efficient and enhanced service delivery through lower operating costs, while providing significant benefits for communities and shareholders.

The aggregate consideration was \$107,343 for 320 common shares, resulting in goodwill of

\$55,602, which is not deductible for income tax purposes. As a result of the amalgamation transaction, the contributed surplus increased by \$77,849.

The following table summarizes the estimated fair value of assets acquired and liabilities assumed at the date of amalgamation:

Whitby Hydro

Accounts receivable and unbilled revenue	\$	19,497	Income taxes

Corporation's name	Business number	Tax year end Year Month Day
Exelicon Energy Inc.	■■■■■■■■■■	2020-12-31

General Index of Financial Information

Notes to the financial statements

recoverable	504	Inventories	1,547
Property, plant and equipment	110,382		
Intangible assets	331		
Deferred tax assets	1,060		
Regulatory assets	1,396		
Other assets	447		
Bank indebtedness	(5,206)		
Accounts payable and accrued liabilities		(18,529)	
Due from related parties	(2,327)		
Customer deposits	(2,196)		
Loans and borrowings	(28,613)		
Deferred contributions	(19,852)		
Employee future benefits	(5,894)		
Other liabilities	(806)		
51,741			
Goodwill	55,602		
Total consideration	\$ 107,343		

2. Business combinations (continued):

The valuation technique used for the purchase of Whitby Hydro was the discounted cash flow ("DCF") approach. Under the DCF approach, the expected future cash flows are discounted to their present value equivalent using appropriate market-based risk-adjusted rates of return.

3. Accounts receivable:

2020	2019

Energy revenue

\$ 36,647

\$ 28,629

Unbilled revenue	39,568	38,259
Project expenditures recoverable	9,553	2,608
Other	368	754
	86,136	70,250
Less expected credit losses	4,218	1,443
	\$ 81,918	\$ 68,807

Trade receivables do not contain a significant financing component, and lifetime expected credit losses ("ECLs") are recognized as the maturities are typically 12 months or less. A provision matrix is used to determine ECLs on trade receivables. The amount of credit losses recognized is based on forward looking estimates that reflect current and forecast credit conditions, in particular - the best estimate of the impact of the COVID-19 pandemic. Unbilled revenue represents amounts for which the Company has a contractual right to receive cash through future billings and are unbilled at the year end.

Accounts receivables, including unbilled revenue are measured at amortized cost.

4. Property, plant and equipment:

December 31, 2020:

December 31, 2019	Additions/ depreciation	Disposals/ retirements	December 31, 2020

Cost

Land	\$ 2,176	\$ -	\$ -	\$ 2,176
Land rights	452	9	-	461

Corporation's name	Business number	Tax year end Year Month Day
Exelicon Energy Inc.	■■■■■■■■■■	2020-12-31

General Index of Financial Information

Notes to the financial statements

Buildings (a)	25,138	669	-	25,807
Distribution station equipment	57,438	2,672	(394)	59,716
Transmission and distribution system	359,211	35,969	(647)	394,533
Meters	23,803	1,287	(73)	25,017
Office equipment	2,241	117	-	2,358
Computer hardware	4,552	1,556	-	6,108
Vehicle fleet (b)	10,991	785	-	11,776
Renewable power generation	1,145	107	-	1,252
Construction in progress	34,462	2,709	-	37,171
	\$ 521,609	\$ 45,880	\$ (1,114)	\$ 566,375
Accumulated depreciation				
Land rights	\$ 67	\$ 12	\$ -	\$ 79
Buildings (a)	9,276	1,138	-	10,414
Distribution station equipment	7,860	1,812	(22)	9,650
Transmission and distribution system	50,253	11,241	(181)	61,313
Meters	10,905	1,884	(49)	12,740
Office equipment	1,526	123	-	1,649
Computer hardware	3,187	722	-	3,909
Vehicle fleet (b)	4,081	1,254	-	5,335
Renewable power generation	296	58	-	354
	\$ 87,451	\$ 18,244	\$ (252)	\$ 105,443
Net book value				
	\$ 434,158			
	\$ 27,636			
	\$ (862)			
	\$ 460,932			

4. Property, plant and equipment (continued):

December 31, 2019:

April 1, 2019	Acquisition additions	Additions/ depreciation	Disposals/ retirements	December 31, 2019
Cost				
Land	\$ 1,748	\$ 428	\$ -	\$ 2,176
Land rights	447	-	5	452
Buildings (a)	18,305	6,055	778	-
25,138equipment	32,037	15,014	11,244	(857)
57,438				
Transmission and distribution system	228,889	97,168	33,938	(784)
359,211				
Meters	16,746	6,225	845	(13)
23,803				
Office equipment	1,523	538	180	-
2,241				
Computer hardware	3,349	618	585	-
4,552				
Vehicle fleet (b)	8,325	1,211	2,156	(701)
10,991				
Renewable power generation	759	386	-	-
1,145				
Construction in progress	23,453	3,895	7,114	-
34,462				
	\$ 335,581	\$ 131,538	\$ 56,845	\$ (2,355)
\$ 521,609				
Accumulated depreciation				
Land rights	\$ 58	\$ -	\$ 9	\$ -
79				
Buildings (a)	6,087	2,110	1,079	-
9,276				
Distribution station				

Corporation's name	Business number	Tax year end Year Month Day
Exelicon Energy Inc.	■■■■■■■■■■	2020-12-31

General Index of Financial Information

Notes to the financial statements

equipment	4,748	1,929	1,362	(179)	7,860		
Transmission and distribution system		29,019	13,377	8,233	(376)	50,253	
Meters	6,746	2,862	1,304	(7)	10,905		
Office equipment	1,091	215	220	-	1,526		
Computer hardware	2,231	522	434	-	3,187		
Vehicle fleet (b) Renewable power generation	164	93	39	-	296	(498)	4,081
	\$ 53,736	\$ 21,156	\$ 13,619	\$ (1,060)	\$		

87,451

Net book value

\$ 281,845

\$ 110,382

\$ 43,226

\$ (1,295)

\$ 434,158

Right of use assets related to leased properties that do not meet the definition of investment property are presented as PP&E.

4. Property, plant and equipment (continued):

(a) Includes \$292 (2019 - \$292) in office building right of use assets and \$224 (2019 - \$134) in accumulated amortization.

(b) Includes \$1,700 (2019 - \$1,700) in vehicle right of use assets and \$669 (2109 - \$286) in accumulated amortization.

During the year, borrowing costs of \$646 (2019 - \$413) were capitalized to PP&E and credited to finance costs. Weighted average cost of long-term borrowings (note 14) is used for capitalizing borrowing costs as part of PP&E with an average rate of 3.28% (2019 - 3.47%).

Additions to construction in progress are net of transfers to other PP&E categories.

5. Intangible assets and goodwill:

(a) Intangible assets:

December 31, 2020

December 31,

2019	Additions/ amortization	Disposals/ retirements	December 31,
2020			

Cost

Application software and other

\$ 14,524

\$ 2,953

\$ -

\$ 17,477

Construction in progress

related to application software and other

490

453

-

943

Capital contributions

(note 19(b))	2,170	602	-	2,772

\$ 17,184	\$ 4,008	\$ -	\$ 21,192

Accumulated amortization

Application software

and other	\$ 11,921	\$ 1,786	\$ -	\$ 13,707

Capital contributions	-	83	-	83

\$ 11,921	\$ 1,869	\$ -	\$ 13,790

Net book value	\$ 5,263	\$ 2,139	\$ -	\$ 7,402

Corporation's name	Business number	Tax year end Year Month Day
Exelicon Energy Inc.	■■■■■■■■■■	2020-12-31

General Index of Financial Information
Notes to the financial statements

5. Intangible assets and goodwill (continued):

December 31, 2019

April 1, 2019	Acquisition additions	Additions/ amortization	Disposals/ retirements	December 31, 2019
Cost				
Application software and other	\$ 11,897	\$ 1,079		
\$ 1,548				
\$ -				
\$ 14,524				
Construction in progress related to application software and other				
434				
-				
56				
-				
490				
Capital contributions (note 19(b))	1,484	-	686	2,170
\$ 13,815	\$ 1,079	\$ 2,290	\$ -	\$ 17,184
Accumulated amortization				
Application software and other	\$ 9,922	\$ 800	\$ 1,199	\$ -
11,921				
Net book value	\$ 3,893	\$ 279	\$ 1,091	\$ -
\$ 5,263				

No borrowing costs were capitalized on intangible assets under development in 2020.

Application software and other includes externally acquired, as well as internally generated computer software. The remaining amortization year is between one to five years.

(b) Goodwill:

December 31, 2019	Acquisition additions	December 31, 2020	Impairment
Goodwill	\$ 64,348	\$ -	\$ -
		\$ -	\$ 64,348

5. Intangible assets and goodwill (continued):

(c) Impairment test

Goodwill with carrying amount of \$64,348 was allocated to the Company's rate regulated CGU as a result of business acquisition and amalgamation.

Impairment testing was carried out for December 31, 2020 by comparing the recoverable amount with the carrying amount. The recoverable amount of this CGU is based on its value in use, determined by discounting the future cash flows to be generated from the continuing operation of the CGU. The key assumptions used in the estimation of value in use were as follows.

Discount rate 4.7%

Terminal value growth rate 2%

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. Revenue growth was projected based on the average growth rate, the estimated sales volume and expected price increases for the next five years.

The discount rate was a post-tax measure based on the return of equity rate issued by OEB on November 9, 2020, and the rates of long-term and short-term

Corporation's name	Business number	Tax year end Year Month Day
Exelicon Energy Inc.	██████	2020-12-31

General Index of Financial Information

Notes to the financial statements

debts that the Company currently holds.

The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

The impairment test was performed by considering the latest developments and economic conditions, including those related to the COVID-19 pandemic.

The estimated recoverable amount of the CGU was determined to be higher than its carrying amount, therefore no impairment was recorded.

6. Depreciation and amortization:

2020 2019

Total depreciation and amortization expense	\$ 20,151	\$ 14,819

Allocated to:

Depreciation/amortization of vehicle fleet included in operating and maintenance expenses	871	654

Depreciation/amortization of assets in non-regulated utility operations included in other income	58	39

929 693

Depreciation and amortization expense	\$ 19,222	\$ 14,126

7. Regulatory balances:

Regulatory balances can arise out of the rate-making process. Specifically, the following regulatory treatments have resulted in accounting treatments that differ from IFRS for enterprises operating in a non-regulated environment and regulated entities that did not adopt IFRS 14:

. The Company's Veridian rate zone records the difference between the borrowing costs capitalization rate prescribed by the OEB and the weighted average cost of borrowings rate used to capitalize PP&E under IFRS. This amount is recognized as a regulatory debit or credit balance to be recovered or paid respectively to the customers through future rates. The Whitby rate zone is not required to record this difference based on the settlement agreement approved in its 2019 rate application;

. The Company's Veridian rate zone records regulatory debit balances arising from derecognition of assets under IFRS. These amounts will be sought for disposition through the next cost of service rebasing application and recovered from customers through future rates. The Whitby rate zone does not record these balances, except when the calculated value exceeds the approved materiality threshold in its 2019 OEB rate decision;

7. Regulatory balances (continued):

. The Company records deferred tax assets or liabilities with a corresponding regulatory tax liability or asset, as the recovery from, or refund to, customers is expected to be included in future distribution rates for its regulated business activities;

. In 2020 the Company incurred costs due to the COVID-19 pandemic that were outside of the normal operations of the Company. The OEB allowed the Company to establish deferral accounts to track these costs for possible future disposition, however, the Company has concluded that the OEB Staff Proposal, issued in December 2020, has introduced uncertainty as to whether these costs can actually be recovered. Consequently, the Company does not believe that there are currently amounts that are probable of recovery. This may change in the future periods as more OEB guidance is issued;

. The Company applied and received approval for disposition for of its Group 1 Deferral Accounts in 2021 for the Whitby rate zone (Group 1 accounts represent the variance(s) of the differences between purchased and billed power costs). These balances will be refunded to customers via rate riders for the 2021 year;

Corporation's name	Business number	Tax year end Year Month Day
Ellexicon Energy Inc.	■■■■■■■■■■	2020-12-31

General Index of Financial Information

Notes to the financial statements

. The Company has deferred certain retail settlement variances which comprise the variances between amounts charged by the Company to customers based on regulated rates and wholesale rates incurred for the cost of electricity service;

. The Company has deferred costs related to: IFRS implementation, lost revenue adjustment mechanism costs, and OEB assessment costs; and

. The Company has deferred variances related to pole attachment revenue and lost revenue associated with the collection of account charge which are expected to be refunded/ charged to customers in future rates.

7. Regulatory balances (continued):
Debit balances comprise of the following:

Remaining recovery/ Balances December 31, period 2019 (years)	Balances arising in the year	reversal Recovery/ reversal	Other movements	December 31, 2020
Approved settlement variances (a) \$	-			
Future settlement 1 yearvariances -	\$ 452	\$ 623	\$ (922)	\$ 153
RSVA (a) 3,292 5,228				
-				
2				
8,522				
Note 1				
Future settlement variances - RCVA (a)				
688				
24				
-				
712				
Note 1				
One-time IFRS conversion (b)				
502				
7				
-				
509				
Note 1				
IFRS transitional adjustments (d)				
2,461				
515				
-				
2,976				
Note 1				
Other (e) 2,344	402	(452)	-	2,294
Deferred taxes (f)	5,858	5,888	-	-
\$ 15,145	\$ 12,516	\$ 171	(920)	\$ 26,912
Remaining recovery/ Additions	Balances through	reversal arising in	Recovery/ acquisitions	Other
April 1, December 31, reversal	period 2019 movements	2019 movements	the period (years)	
Future settlement variances -				
RSVA (a) \$	-	\$ (537)	\$ 3,561	\$ 3,414
				\$

Corporation's name	Business number	Tax year end Year Month Day
Exelicon Energy Inc.	██████	2020-12-31

General Index of Financial Information

Notes to the financial statements

(3,146)	\$	3,292	Note 1						
Future settlement variances -									
RCVA (a)	492	111	85	-	-	688	Note 1		
One-time IFRS conversion (b)	496	-	6	-	-	502	Note 1		
IFRS transitional adjustments (d)	1,560	-	901	-	-	2,461	Note 1		
Other (e)	2,449	969	171	(1,245)	-	2,344	Note 1		
Deferred taxes (f)	2,815	1,300	1,743	-	-	5,858	Note 2		
\$ 7,812	\$ 1,843	\$ 6,467	\$	2,169	\$ (3,146)	\$ 15,145			

7. Regulatory balances (continued):

Credit balances comprise of the following:

Remaining recovery/
Balances reversal

December 31, period 2019 (years)	arising in the year	Recovery/ reversal	Other movements	December 31, 2020	
Approved settlement variances (a)	\$ 921	\$ -	\$ -	\$ (921)	\$
- Note 3					
Stranded meters (c)	24	-	2	26	Note 1
Deferred taxes (f)	1,663	147	-	1,810	Note 2
\$ 2,608	\$ 147	\$ 2	\$ (921)	\$ 1,836	

Remaining recovery/
Additions Balances reversal

April 1, December 31, reversal	through period 2019 movements	arising in period 2019 acquisitions	Recovery/ the period (years)	Other	
Approved settlement variances (a)	\$ 1,331	\$ 400	\$ 2,170	\$ (2,980)	
\$ -	\$ 921	1 year			

Future
settlement
variances -

RSVA (a)	3,146	-	-	-	(3,146)
- Note 3					
Stranded meters (c)	20	(297)	(2)	303	-
24 Note 1					
Deferred taxes (f)	1,352	345	(34)	-	1,663
\$ 5,849	\$ 448	\$ 2,134	\$ (2,677)	\$ (3,146)	\$

2,608

Note 1 The Company intends to seek recovery or refund in future rate applications to the OEB. These are expected to be settled in 2 to 3 years.

Note 2 The Company will not seek disposition of the balance since it will be reversed through timing differences in the recognition of deferred tax assets or liabilities.

Note 3 These balances have been reclassified from regulatory debit to credit balances or vice versa.

7. Regulatory balances (continued):

The additions through acquisition, represents April 1, 2019 balances for the

Corporation's name	Business number	Tax year end Year Month Day
Elexicon Energy Inc.	██████	2020-12-31

General Index of Financial Information

Notes to the financial statements

Whitby rate zone. The balances arising in the period column are new additions (for both debits and credits). The recovery/reversal column are amounts: collected or refunded through rate riders, disposition of OEB-approved regulatory balances, or other transactions which reduces existing regulatory balances. The other movements column consists of impairment (if the OEB disallowed certain amounts), and reclassification between the regulatory debit and credit balances. There is no impairment recorded for the period from January 1, 2020 to December 31, 2020.

Regulatory balances descriptions:

(a) Settlement variances:

The amounts include the variances between the amount charged by the IESO for the operation of the markets and grid, as well as various wholesale market settlement charges and transmission charges, as compared to the amount billed to consumers based on the OEB-approved rates. This amount also includes variances between the amounts charged by Hydro One Networks Inc. ("Hydro One") for low voltage services and the amount billed to consumers based on the OEB-approved rates. Also included are retail cost variances, being the differences between the revenue charged to retailers and the retail services costs associated with providing the retail services.

For the 2020 rate year, the OEB approved:

. Lost revenue recovery for 2017 conservation program impacts for the Whitby rate zone.

(b) One-time IFRS conversion costs:

In accordance with an OEB directive, a deferral account has been established for the one-time administrative costs during transition to IFRS for the Veridian rate zone. These amounts will be sought for disposition in the Company's first cost of service rebasing application under IFRS or in a future stand-alone application. The rebasing under IFRS will be due in ten years from the date of amalgamation i.e. April 1, 2019.

7. Regulatory balances (continued):

(c) Stranded meters:

These amounts are related to the provincial government's directive for licensed distributors to install smart meters for specific customer classes and represent the net book value of stranded meter assets arising from the Company's smart metering program. These amounts reflect the residual balances for Stranded Meters which will be addressed in a future application to the OEB.

(d) IFRS transitional adjustments:

Commencing in 2014, the Company's Veridian rate zone has recorded regulatory debit balances arising from derecognition of assets under IFRS and capitalized borrowing costs difference between weighted average long-term borrowing costs under IFRS and OEB guidelines. These amounts will be sought for disposition in the Company's first cost of service rebasing application under IFRS or in a future stand-alone application. The rebasing under IFRS will be due in ten years from the date of amalgamation i.e. April 1, 2019.

(e) Other:

These amounts relate to the deferral of costs or variances associated with lost revenue from the impact of conservation programs and deferred rate implementation, as well as regulatory changes affecting the Collection of Account charge. The amounts also include, renewable generation connection funding adder, OEB assessment costs, pole attachment variances and other regulatory balances.

(f) Deferred taxes:

The regulatory debit balance is the expected future electricity distribution rate increase for customers arising from timing difference in the recognition of deferred tax assets and the regulatory credit balance is the deferred tax

Corporation's name	Business number	Tax year end Year Month Day
Exelicon Energy Inc.	■■■■■■■■■■	2020-12-31

General Index of Financial Information

Notes to the financial statements

amount reclassified under IFRS 14.

The deferred tax amount related to the expected future electricity distribution rate increase for customers was \$11,746 (2019 - \$5,858) as at December 31, 2020.

The amounts reclassified under IFRS 14 include the deferred tax liability related to regulatory balances of \$1,810 (2019 - \$1,663) as at December 31, 2020.

8. Income taxes:

The provision for income taxes differs from the amount that would have been recorded using the combined Canadian federal and Ontario statutory income tax rate. The reconciliation between the statutory and effective tax rates is provided as follows:

	2020	2019
Income before income taxes		
\$	5,257	
\$	547	
Federal and Ontario statutory income tax rate		
26.50%		
26.50%		
Provision for income taxes at statutory rate Increase (decrease) resulting from:	\$ 1,393	
\$	145	
Temporary differences expected to be recovered from customers		
(3,226)		
(2,470)		
Over provided in prior periods	(91)	(51)
Other miscellaneous	1,320	2,764
Income taxes recorded in regulatory balances movements		
5,742		
1,776		
Income tax expense	\$ 5,138	\$ 2,164
Allocated:		
Current expense (recovery)		
\$	353	
\$	(51)	
Deferred expense (recovery)	(957)	439
Income taxes recorded in regulatory balances movements		
5,742		
1,776		
Total income tax expense	\$ 5,138	\$ 2,164

8. Income taxes (continued):

Deferred tax assets and liabilities arise from differences between the carrying amounts and tax bases of the Company's assets and liabilities. The tax effects of these differences are as follows:

2020 2019

Deferred tax assets (liabilities):

Property, plant and equipment and intangible

assets (a) \$ (13,407) \$ (8,371)

Employee future benefits 3,643 3,423

Sick leave liability 391 363

Non-capital losses - 363

Unrealized loss on interest rate swaps 1,752 833

Deferred revenue, contingent liability and others 436 990

(7,185) (2,399)

Corporation's name	Business number	Tax year end Year Month Day
Exlexicon Energy Inc.	██████	2020-12-31

General Index of Financial Information

Notes to the financial statements

Deferred tax liabilities: Regulatory balances			
1,810			
1,663			
Moved to regulatory deferral account credit balances	(1,810)		
(1,663)	-	-	
Deferred tax liabilities	\$ (7,185)	\$ (2,399)	

(a) Taxable temporary difference, book value is more than tax value.

9.

Accounts payable and accrued liabilities:

2020	2019

Cost of power accrual

\$ 27,851

\$ 28,741

Customer credit balances	6,087	8,781	
Non-vested sick leave liability	1,084	1,006	
Other accounts payable and accrued liabilities	17,641	19,610	
Hydro One contractual obligation (note 19(b))	-	1,533	
\$ 52,663	\$ 59,671		

Accounts payable are measured at amortized cost.

10. Credit facilities:

As at December 31, 2020, the Company had the following external credit facilities with a Canadian chartered bank (the "Bank"):

(a) Uncommitted revolving demand credit facility. The facility at all times is required to be no greater than \$100,000 up to June 30, 2021 after which date the credit limit shall reduce to

\$40,000, with a letter of credit ("L/C") carve-out availability;

(b) Committed reducing term facility with a credit limit of \$40,999 and amortization term of 30 years with an optional exit strategy at 10 years, 15 years, 20 years and 25 years (note 14); and

(c) Committed or demand revolver facility (note 14) with a combined total no greater than \$130,000 at all times.

The financial covenants to the above facilities require a funded debt to capitalization ratio of no greater than 0.60:1, and maintain a debt service coverage ratio of not less than 1.20:1. The financial covenants are tested on a consolidated basis. The Corporation and the Company have been in compliance with all the covenants.

As at December 31, 2020, \$13,100 was drawn out of facility (a); \$36,227 was outstanding out of facility (b) and \$90,000 was outstanding out of facility (c) above (note 14). To cover the risk of fluctuating interest rates, facility (b) was structured with an interest rate swap agreement with the Bank, effectively converting the obligations into a fixed interest rate loan of approximately 3.715%.

The Company utilized (a) for: \$807 to issue an irrevocable L/C in favour of the IESO; and \$100 to issue an irrevocable L/C in favour of the Ministry of Environment.

The IESO requires all purchasers of electricity in Ontario to provide security to mitigate the risk of their default based on their expected purchases from the IESO administered spot market. The IESO could draw on the L/C if the Company defaults on its payment.

The Ministry of Environment requires security to ensure adequate funds are available, to effect suitable remedial action, if an event occurs resulting

Corporation's name	Business number	Tax year end Year Month Day
Exlexicon Energy Inc.	██████	2020-12-31

General Index of Financial Information

Notes to the financial statements

in a health and safety hazard to any person, or the natural environment.
Credit facilities are measured at amortized cost.

11. Deferred revenue:

(a) As at December 31, 2020, \$1,615 of deferred revenue represents the balance of unearned revenue from funding received from the IESO to deliver CDM programs.

An agreement was entered with the IESO on December 16, 2014 and on June 8, 2015, whereby the IESO conditionally approved a CDM plan that was jointly submitted by the Company (Veridian and Whitby Hydro) to deliver CDM programs covering the period from January 1, 2015 to December 31, 2020. This CDM plan was most recently updated on April 18, 2017 and conditionally approved by the IESO on May 12, 2017.

On March 21, 2019, the Government of Ontario announced the end of the 2015-2020 CDM Framework for electricity distributors and the establishment of a scaled down IESO Interim Framework for the remainder of 2019 and 2020. Distributors were directed to cease accepting any new program applications by April 1, 2019 and were directed to wind down the delivery of their CDM programs in an orderly manner.

All programs under the IESO agreement and all relevant wind down costs are expected to be fully funded and paid by the IESO. The IESO is invoiced monthly for the costs incurred on various CDM programs and wind down expenditures. The Company received some initial funding in the form of a pre-payment from the IESO for the delivery of CDM programs under the energy conservation agreement. Amounts received but not yet spent are presented on the balance sheet under current liabilities as deferred revenue.

(b) As at December 31, 2020, \$31 of deferred revenue represents the balance of unearned revenue related to the 2018 Affordability Fund Trust (AFT) program money received in advance from the Government of Ontario to support program expenses.

12. Deposits and developer obligations:

2020 2019

Advance payments - construction deposits

\$ 89

\$ 1,528

Customer deposits 7,225 7,225

Developer obligations 9,111 6,601

Deposits and developer obligations \$ 16,425 \$ 15,354

13. Related party transactions:

The Company provides electricity and services to the Corporation's shareholders, the Town of Ajax, the Municipality of Clarington, the City of Pickering, the City of Belleville and the Town of Whitby (collectively, the "shareholders"). Electrical energy is sold to the Corporation's shareholders at the same prices and terms as other electricity customers consuming equivalent amounts of electricity.

Summary of transactions with the Corporation's shareholders:

	Town of Ajax	Town of Whitby	City of Pickering	City of Belleville
			Total	
Electricity and services				
revenue	\$ 2,562	\$ 2,791	\$ 2,002	\$ 1,294
\$ 9,188Finance costs on the				
notes payable	581	1,171	742	231
Property taxes paid	218	240	45	49
			34	586

Corporation's name	Business number	Tax year end Year Month Day
Exelicon Energy Inc.	■■■■■■■■■■	2020-12-31

General Index of Financial Information

Notes to the financial statements

Accounts receivable

balance	303	351	173	217	36	1,080

Summary of transactions with the Corporation (the "Parent") and Exelicon Group Inc. ("EGI"), an associate of the Company:

2020	2019

Administrative and management services revenue (a)

\$ 479

\$ 135

Finance costs on the notes payable to Parent	1,123	1,029

Dividends declared and paid to Parent	9,870	5,549

2020	2019

Accounts receivable balance (b)

\$ 519

\$ 428

13. Related party transactions (continued):

(a) The Company purchases or supplies administrative and management services from and to the Corporation and EGI. Charges for these services are recorded at exchange amounts established and agreed to by the related parties.

(b) Without interest or terms of repayment.

2020	2019

Compensation paid to key management personnel(i)

\$ 2,352

\$ 1,554

(i) Comprising of the senior management team and members of the Board of Directors. The compensation includes salaries, performance pay and taxable benefits. This includes OMERS contribution of \$246 (2019 - \$160).

The Company has renewable generation projects and holds interest in the following entities joint operations:

Claremont Community Centre Solar:

The Company, Queen Street Solar Co-Operative Corporation ("Queen Street Solar") and Solera Sustainable Energies Company Limited entered into a joint operation agreement with an equity interest of 39%, 51% and 10%, respectively, to build, own, operate and maintain a solar generation project at Claremont Community Centre owned by the City of Pickering, located at 4941 Old Brock Road, Pickering, Ontario L1V 7E2. This project is approved under the Feed-in Tariff government program.

The joint venture started operation in July 2015. In 2020 the Company included its share of net income \$7 (2019 - \$5) in the financial statements. In 2016, the Corporation financed the above project for an amount of \$264 for a 15-year term at an interest rate of 5.00%. An amount of \$75 (net of repayments and intercompany funding) is included in the Company's long-term debt as at December 31, 2020 (note 14). The funding provided by the Corporation was in the same proportion as the equity interest: Company 39%, Queen Street Solar 51% and Solera Sustainable Energies Company Limited 10%.

13. Related party transactions (continued):

On May 29, 2019, Queen Street Solar sold its share of equity interest in the joint operation arrangement to TREC SolarShare Co-Operative (No. 1) Inc. Accordingly, joint operation agreements were amended to incorporate TREC SolarShare Co-Operative (No. 1) Inc. as the joint operation partner.

Exelicon, Lakefront, Solera Joint Operation:

The Company, Lakefront Utility Services Inc. and Solera Sustainable Energies Company Limited entered into a joint operation agreement with an equity interest of 42.5%, 42.5% and 15% respectively, to build, own, operate and maintain a solar generation project at the property owned by The Corporation of the Town of Cobourg, located at 739 D'Arcy Street, Cobourg, Ontario

Corporation's name	Business number	Tax year end Year Month Day
Exelicon Energy Inc.	■■■■■■■■■■	2020-12-31

General Index of Financial Information

Notes to the financial statements

(Building 13).

The joint venture started operation in 2019. In 2020 the Company included its share of net income \$2 in the financial statements.

In 2019, the Town of Cobourg Holding Inc. financed the above project for an amount of \$202 for a 25-year term at an interest rate of 5.75%. An amount of \$83 is included in the Company's long-term-debt as at December 31, 2020 (note 14). The funding provided by the Corporation of the Town of Cobourg was in the same proportion as the equity interest: Company 42.5%, Lakefront Utility Services Inc. 42.5% and Solera Sustainable Energies Company Limited 15%.

The Company, as a joint operator accounts for the assets, liabilities, revenues and expenses relating to its interest in the joint operations in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.

14. Long-term debt

	2020	2019

Notes payable to the shareholders of the Corporation, due on demand, at the rate of 4.13% (a) \$

	71,926

\$

	71,926

Notes payable to the Corporation, maturing on December 9, 2024, at a rate of 4.77% 15,000

	15,000

Notes payable to the Corporation, maturing on December 17, 2039, at a rate equal to the OEB-deemed long-term debt rate, less 30-basis-points

	13,300

	14,000

Loan payable to the Corporation, maturing on September 1, 2031, at a rate of 5.00%

Loan payable to Town of Cobourg Holding Inc., maturing in February 2044, at a rate of 5.75% 81

	83	86

-

Long-term debt from the Bank, maturing on

	March 2, 2045 (note 10(b))	36,227	37,133

Long-term debt from the Bank, maturing on

	December 31, 2024 (note 10(c))	90,000	55,000

	226,617	193,145

	Less current portion	1,646	1,610

	\$ 224,971	\$ 191,535

(a) The shareholders of the Corporation have waived their right to demand repayment of any portion of the principal of the promissory notes payable before the date of January 1, 2022.

Scheduled principal repayments for the next five years and thereafter as of December 31, 2020:

	2021	\$ 1,646

	2022	73,608

	2023	1,720

	2024	106,758

	2025	1,798

	Thereafter	41,087

	226,617

	Less current portion	1,646

	\$ 224,971

Corporation's name	Business number	Tax year end Year Month Day
Ellexicon Energy Inc.	■■■■■■■■■■	2020-12-31

General Index of Financial Information

Notes to the financial statements

14. Long-term debt (continued):

Scheduled principal repayments for the next five years and thereafter as of

December 31, 2019:

2020 \$ 1,610

2021 73,571

2022 1,680

2023 1,718

2024 71,756

Thereafter 42,810

193,145

Less current portion 1,610

\$ 191,535

Scheduled interest payments for the next five years and thereafter as of

December 31, 2020:

2021 \$ 7,500

2022 7,443

2023 4,415

2024 4,356

2025 1,492

Thereafter 14,697

\$ 39,903

Expected weighted average borrowing costs:

2021

3.37%

2022 4.02%

2023 2.99%

2024 4.67%

2025 3.82%

14. Long-term debt (continued):

Finance costs related to short-term debt and long-term debt
comprise:

	2020	2019
Interest on:		
Notes payable and loans		
\$ 6,730		
\$ 5,432		
Customer deposits and other	357	184
7,087	5,616	
Less capitalized borrowing costs	646	413
\$ 6,441	\$ 5,203	

Interest on:

Notes payable and loans

\$ 6,730

\$ 5,432

Customer deposits and other 357 184

7,087 5,616

Less capitalized borrowing costs 646 413

\$ 6,441 \$ 5,203

Long-term debt is measured at amortized cost.

15. Deferred contributions:

Deferred contributions are the capital contributions received from
electricity customers and

developers, which have not yet been recognized into other income.

The continuity of deferred contributions is as follows:

2020 2019

Deferred contributions, beginning of year \$ 74,723

\$ 49,115

Contributions received 15,109 26,652

Contributions amortized as other income (1,767) (1,044)

Deferred contributions, end of year 88,065

Corporation's name	Business number	Tax year end Year Month Day
Elexicon Energy Inc.	██████	2020-12-31

General Index of Financial Information

Notes to the financial statements

74,723

Less current portion 2,142 1,767

Non-current \$ 85,923 \$ 2,956

Customer and developer contributions for the acquisition or construction of PP&E are considered to be deferred contributions and amortized over the useful lives of the related assets as other income.

16. Employee future benefits:

(a) Pensions:

During the year, the Company made contributions totalling \$2,815 (2019 - \$2,169) to OMERS. These contributions have been recognized as an operational expenditure net of the amount capitalized in assets. The expected payment for 2021 is \$2,900 and representing less than 1% of the group plan contributions. As at December 31, 2019, and subject to the estimates, assumptions and valuations of OMERS, the plan obligations are 97% funded by its assets. OMERS has a strategy to return the plan to a fully funded position. The Company is not able to assess the implications, if any, of this strategy or of the withdrawal of other participating entities from the OMERS plan on its future contributions.

(b) Post-retirement benefits other than pension:

The Company pays certain benefits on behalf of its retired employees and recognizes these post-retirement costs in the year in which the employees render the services.

Information about the Company's non-contributory defined benefit plan to fund life insurance, health and dental care benefits and a retiree HCSA, is as follows:

	2020	2019		
Accrued benefit liability recognized, beginning of year			\$ 9,495	\$
8,826Current service costs	267	215		
Past service costs / (gain)	(636)	-		
Interest costs	300	238		
Benefit payments	(229)	(245)		
Remeasurements recognized in other comprehensive income	906	461		
Accrued benefit liability, end of year	\$ 10,103	\$ 9,495		

The amounts presented are based upon an actuarial valuation performed as at December 31, 2020.

16. Employee future benefits (continued):

The main actuarial assumptions employed for the valuations are as follows:

(i) General inflation:

Future general inflation levels, as measured by changes in the Consumer Price Index, are assumed at 2.00% (2019 - 2.00%) for future years.

(ii) Interest (discount) rate:

Amounts were determined using an annual discount rate of 2.70 (2019 - 3.20%).

(iii) Salary levels:

Future general salary and wage levels were assumed to increase at 3.20% (2019 - 3.20% per annum.

(iv) Health and dental care:

The health and dental care cost increases are 4.20% (2019 - 4.20%) and 4.50% (2019 - 4.50%), respectively.

(c) Sensitivity Analysis:

Discount rate is one of the significant actuarial assumptions for benefit obligation measurement purposes.

Changes in discount rate assumptions would have had the following effect on the benefit obligation:

Estimated value of future payments
% difference

Corporation's name	Business number	Tax year end Year Month Day
Elxicon Energy Inc.	██████	2020-12-31

General Index of Financial Information

Notes to the financial statements

Base (2.7%)

\$ 10,103

-

(1.70%) or - 1.00% 12,376 +23%

(3.70%) or +1.00% 8,071 -17%

16. Employee future benefits (continued):

(d) Risks associated with the plan:

Significant actuarial assumptions related to discount rates, future health and dental costs, mortality rates, retirement age, and utilization rate of the HCSA etc. may affect the valuation of expected accrued benefit liability.

17. Share capital:

2020 2019

Authorized:

Unlimited Common Shares Issued:

1,000 Common Shares \$ 98,796 \$ 98,796

18. Dividends:

The Company's current dividend policy states:

(a) an annual dividend to the Corporation of at least \$11,280, \$11,310 and \$11,390 for the first, second and third fiscal year, respectively;

(b) the dividend target in respect of the fourth fiscal year of the Company and each year thereafter will be 52.5% of the Company's net income in respect of such year;

(c) the Board of Directors will consider the following factors in assessing the Company's ability to pay a dividend:

(i) the ability of the Company to meet the solvency requirements of the Business Corporations Act (Ontario);

(ii) the ability of the Company and the Corporation to adhere to OEB policies and administrative decisions;

18. Dividends (continued):

(iii) the Corporation's consolidated debt to total capitalization ratio for the current and following fiscal year should be 70% or lower and 60% or lower in the context of its regulated capital structure;

(iv) the capital expenditure requirements of the Company in the current and following fiscal years;

(v) the net income positive or negative variance to the budget of the Company in the current fiscal year;

(vi) the ability of the Company to meet covenants required by its lenders in the current and following fiscal years;

(vii) the ability of the Company to meet its obligations and capital re-investment needs in the coming year; and

(viii) any tax consequences that will adversely affect the Company, its affiliates, the Corporation, or the Corporation's shareholders

During the year, the Board of Directors of the Company:

. declared and paid dividends totalling \$9,870 (2019 - \$5,549).

19. Contingencies and guarantees:

(a) Insurance claims:

The Company is a member of the Municipal Electric Association Reciprocal Insurance Exchange ("MEARIE"), which was created on January 1, 1987. A reciprocal insurance exchange may be defined as a group of persons formed for the purpose of exchanging reciprocal contracts of indemnity or inter-insurance with each other. MEARIE provides general liability insurance to member electric utilities. MEARIE also provides vehicle and property insurance to the Company.

19. Contingencies and guarantees (continued):

Corporation's name	Business number	Tax year end Year Month Day
Exelicon Energy Inc.	██████	2020-12-31

General Index of Financial Information

Notes to the financial statements

Insurance premiums charged to each member electric utility consist of a levy per \$1 of service revenue subject to a credit or surcharge based on each electric utility's claims experience. The maximum coverage is \$30,000 per occurrence for liability insurance, \$21,000 for vehicle insurance, and \$161,680 for property insurance; plus \$10,000 excess coverage on top of the regular liability and vehicle coverage.

(b) Contractual obligation - Hydro One Networks Inc.:

The Company is party to a connection and cost recovery agreement with Hydro One related to the construction by Hydro One of a transformer station designated to meet the Company's anticipated electricity load growth. Construction of the project was completed during 2007 and the Company connected to the transformer station during 2008.

To the extent that the cost of the project is not recoverable from future transformation connection revenue, the Company is obligated to pay a capital contribution equal to the difference between this revenue and the construction costs allocated to the Company. The construction costs allocated to the Company for the project are \$19,950.

Hydro One has performed a true-up based on actual load at the end of the tenth anniversary of the in-service date and the Company has paid \$2,135 in 2020 (2019 - \$637) to Hydro One and recognized the same as an intangible asset. The Company recorded a current liability for \$1,533 and a corresponding intangible asset for \$1,533 as at December 31, 2019, based on management's best estimate of the future transformation connection revenue shortfall. Hydro One is expected to perform another true-up based on actual load at the end of the fifteenth anniversary of the in-service date.

(c) Prudential support:

Purchasers of electricity in Ontario, through the IESO, are required to provide security to mitigate the risk of default based on their expected activity in the market. The IESO could draw on this security if the Company fails to make the payment required on a default notice issued by the IESO. The Corporation has provided a \$64,000 guarantee to the IESO on behalf of the Company. Additionally, the Company has provided letters of credit for \$6,900 and \$807 to the IESO for prudential support.

19. Contingencies and guarantees (continued):

(d) General claims:

From time to time, the Company is involved in various lawsuits, claims and regulatory proceedings in the normal course of business. In the opinion of management, the outcome of such matters will not have a material adverse effect on the Company's financial position and results of operations or cash flows.

20. Leases:

The Company is committed to lease agreements for various vehicles and an office building.

When measuring the lease liabilities for leases, the Company discounted lease payments using the implicit rate of each lease agreement with a range of 4.94% to 7.20% for vehicle leases and 2.00% for office building lease. Future minimum non-cancellable lease payment obligations under finance leases are as follows:

2021	\$	363
2022		229
2023		179
2024		124
2025		95
Thereafter		115
	\$	1,105

Leases are measured at amortized cost.

Corporation's name	Business number	Tax year end Year Month Day
Exelicon Energy Inc.	■■■■■■■■■■	2020-12-31

General Index of Financial Information

Notes to the financial statements

As at December 31, 2020, a lease obligation of \$363 (2019 - \$475) is recorded as a current liability and \$742 (2019 - \$1,105) is recorded as a non-current liability.

The Company has also recognized \$75 (2019 - \$59) in interest costs (recognized as finance costs in the statement of comprehensive income and the statement of cash flows) and \$475 (2019 - \$349) in lease repayments (recognized as changes in non-cash operating working capital in the statement of cash flows).

The Company has leases for low-value assets and recognized \$2 in operating and maintenance expenses.

21. Revenue and other income (loss):

2020 2019

Commodity revenue	\$ 473,986	\$ 305,455
Distribution revenue	79,380	58,759
Other income:		
Late payment charges	1,176	333
Customer charges (a)	1,769	946
Pole rentals	1,330	936
Amortization of deferred contributions		1,767 1,044
Miscellaneous	680 (324)	

6,722 2,935

Other loss (disposal of PP&E) (839) (1,251)

(a) Includes reconnection/disconnection, collection and change of occupancy charges from customers.

Energy sales and distribution revenue by customer class are as follows:

2020 2019

Residential service	\$ 265,518	\$ 174,754
General service	263,956	173,725
Large users	23,892	15,725
Total commodity and distribution revenue	\$ 553,366	\$ 364,204

22.

Operating, maintenance and administration expenses:

Operating and maintenance

Administration	Total 2020	Total 2019		
Salaries and benefits	\$ 7,973	\$ 14,301	\$ 22,274	\$ 18,564
External services	5,043	12,730	17,773	8,584
Materials and supplies	373	81	454	247
Vehicle	873	18	891	729
Other	-	3,234	3,234	6,274
	\$ 14,262	\$ 30,364	\$ 44,626	\$ 34,398

23. Statement of cash flows:

Changes in non-cash operating working capital provided by (used in) includes the following: Changes in non-cash operating working capital provided by

(used in) include the following: 2020 2019

Accounts receivable	\$ (12,393)	\$ (1,503)
Related parties	(1,484)	(10,384)
Materials and supplies	(743)	397
Prepaid expenses	175	755
Accounts payable and accrued liabilities		(7,810) (3,380)
Deferred revenue	(4)	(490)
	\$ (22,259)	\$ (14,605)

Reconciliation between the amount presented on the statement of cash flows and total additions to PP&E and intangible assets:

Corporation's name	Business number	Tax year end Year Month Day
Elexicon Energy Inc.	██████	2020-12-31

General Index of Financial Information

Notes to the financial statements

2020	2019		
Purchase of PP&E, cash basis	\$ 45,329	\$ 52,328	
Net change in accruals related to PP&E	551	4,517	
Total additions to PP&E	\$ 45,880	\$ 56,845	
Purchase of intangible assets, cash basis			
\$ 4,666			
\$ 1,014			
Net change in accruals related to intangible assets	(658)	1,276	
Total additions to intangible assets	\$ 4,008	\$ 2,290	

24. Financial instruments and risk management:

(a) Market risk:

Market risk refers primarily to risk of loss that results from changes in commodity prices, foreign exchange rates and interest rates. The Company does not have commodity risk due to the flow-through nature of energy purchases and costs. All variances due to timing of customer billing or regulated pricing are recorded in retail settlement variance accounts and are recovered from or returned to customers in accordance with regulatory directives. The foreign exchange risk is considered not material and is limited to U.S. dollar cash and cash equivalents holdings of \$58 as at December 31, 2020.

(b) Interest rate risk:

The Company enters into fixed interest rate long-term debt agreements to minimize cash flow and interest rate fluctuation exposure. In February 2015, the former Veridian arranged from the Bank a \$40,999, 30-year fixed rate term loan to blend and extend a \$30,000 loan and a \$15,000 loan. The Company entered into interest rate swap derivative agreements with the Bank to exchange interest rate cash flows. Under these agreements, the Company and the Bank have the periodic exchange of payments without exchanging the notional principal amount on which the payments are based. This effectively provided the Company with a fixed rate loan, which reduces the impact of fluctuating interest rates on long-term debt. The Company does not enter into any such financial instrument for speculative purposes.

The Company is also exposed to fluctuations in interest rates as the regulated rate of return for the Company'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.

(c) Credit risk:

Financial assets create credit risk that a counterparty will fail to discharge an obligation, causing a financial loss. The Company's distribution revenue is earned on a broad base of customers. As a result, the Company did not earn a significant amount of revenue from any individual customer.

24. Financial instruments and risk management (continued):

The COVID-19 pandemic creates a higher degree of uncertainty due to economic and business disruption. Management considers current economic and credit conditions in revising the estimates and judgments used in preparation of the expected credit losses provision on its accounts receivable balances. The Company applies provision rates based on recent and changing trends to customer aging balances, customer collection patterns and risk of customer default and has recorded an increase to the expected credit loss allowance of \$2,775 to account for these anticipated risks, which includes the impact of the COVID-19 pandemic. The impact of the OEB's moratorium on disconnections impacted the Corporation's ability to mitigate credit risk from customer accounts receivable balances.

The Company manages counterparty credit risk through various techniques, including limiting total exposure levels with individual counterparties

Corporation's name	Business number	Tax year end Year Month Day
Ellexicon Energy Inc.	██████	2020-12-31

General Index of Financial Information

Notes to the financial statements

consistent with the Company's policies and monitoring the financial condition of counterparties.

Management believes that the credit risk of accounts receivable is limited due to the following reasons:

(i) There is a broad base of customers with no one customer that accounts for revenue or an accounts receivable balance in excess of 10% of the respective balance.

(ii) The Company, as permitted by the OEB's Retail Settlement and Distribution System Code, may obtain a security deposit or L/C from customers to mitigate risk of payment default.

(iii) The percentage of accounts receivable that is outstanding more than 90 days is approximately 5.0% (2019 - 1.5%) of the total net outstanding balance.

(iv) The Company includes an amount of accounts receivable write-offs within net income for rate-setting purposes.

Expected credit risk losses:

2019	\$ 1,443
Additional allowances	3,440
Write-off	(665)
	2,775
2020	\$ 4,218

24. Financial instruments and risk management (continued):

Pursuant to their respective terms, accounts receivable are aged as follows as at December 31, 2020:

	2020	2019
Total accounts receivable		
\$ 86,136		
\$ 70,250		
Less expected credit losses	4,218	1,443
Total accounts receivable, net	\$ 81,918	\$ 68,807
Of which: Unbilled revenue		
\$ 39,568		
\$ 38,259		
Outstanding less than 30 days	39,454	28,978
Outstanding 31 days but not more than 60 days	1,672	1,252
Outstanding 61 days but not more than 90 days	1,371	709
Outstanding 91 days but not more than 120 days	833	720
Outstanding more than 120 days	3,238	332
	86,136	70,250
Less expected credit losses	4,218	1,443
	\$ 81,918	\$ 68,807

24. Financial instruments and risk management (continued):

(d) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company has access to credit facilities and monitors cash balances daily. Short-term liquidity is provided through cash and cash equivalents on hand and funds from operations and a revolving credit facility. Short-term liquidity is expected to be sufficient to fund normal operating requirements.

The current challenging economic climate affected by factors including but not limited to the effects of the COVID-19 pandemic may lead to material adverse changes in cash flows, working capital levels and/or debt balances, which may also have a direct negative impact on the Company's operating results and financial position in the future. Accordingly, the Company

Corporation's name	Business number	Tax year end Year Month Day
Elexicon Energy Inc.	██████	2020-12-31

General Index of Financial Information

Notes to the financial statements

continues to monitor and adapt its response plan as the economic climate evolves.

The liquidity risks associated with financial commitments are as follows:

Financial commitments as of December 31, 2020: Due between

Due within one and Due past
one year five years five years

Financial liabilities:

Accounts payable and accrued

liabilities - undiscounted \$ 52,663 \$ - \$ - Short-term

debt - undiscounted(note 10) 13,100 - -

Long-term debt - undiscounted 1,646 183,884 41,087

Leases - discounted 363 627 115

24. Financial instruments and risk management (continued):

Financial commitments as of December 31, 2019:

Due within one year Due between
one and five years

Due past five years

Financial liabilities:

Bank indebtedness - undiscounted \$ 973 \$ - \$ -

Accounts payable and accrued

liabilities - undiscounted 59,671 - -

Short-term debt - undiscounted

(note 10) 6,800 - -

Long-term debt - undiscounted 1,610 148,725 42,810

Leases - discounted 477 903 260

(e) Fair values:

The Company included \$6,610 of unrealized loss in its financial statements.

This is the fair value of the interest rate swap derivative which represents the amount that the Company would have paid to unwind its position as at December 31, 2020. This unrealized loss is not expected to affect cash as the Company intends to hold the financial instrument until its maturity.

Fair value measurements recognized in the statement of comprehensive income are categorized using a fair value hierarchy that reflects the significance of inputs used in determining the fair values.

. Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities;

. Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and

. Level 3 - inputs for assets and liabilities that are not based on observable market data.

The interest rate swap derivatives are all Level 2 as at December 31, 2020.

There were no transfers between levels during the year.

24. Financial instruments and risk management (continued):

The carrying amounts of all financial instruments, except the short-term debt and long-term debt approximate fair values due to the immediate or short-term maturity of these financial instruments.

The estimated fair values of the loans payable, including related party loans, are as follows:

	2020	2019
Fair value	Fair value	Carrying
value	Fair value	Carrying
value		

Town of Ajax promissory note, due on demand

\$ 14,060

\$ 14,060

Corporation's name	Business number	Tax year end Year Month Day
Ellexicon Energy Inc.	■■■■■■■■■■	2020-12-31

General Index of Financial Information

Notes to the financial statements

\$ 14,060
 \$ 14,060
 Town of Whitby promissory note, due on demand
 28,338
 28,338
 28,338
 28,338
 City of Pickering promissory note, due on demand
 17,974
 17,974
 17,974
 17,974
 City of Belleville promissory note, due on demand
 5,588
 5,588
 5,588
 5,588
 City of Clarington promissory note, due on demand
 5,966
 5,966
 5,966
 5,966
 Notes payable to the Corporation,
 maturing on December 9, 2024
 16,074
 15,000
 16,065
 15,000
 Notes payable to the Corporation, maturing on December 17, 2039
 13,070
 13,300
 15,029
 14,000
 Loan payable to the Corporation,
 maturing on September 1, 2031 Loan payable to the Town of Cobourg
 Holding Inc., maturing on September 1, 2031 89
 108 81
 83 94
 - 86
 -
 Long-term debt from the Bank,
 maturing on March 2, 2045
 39,689
 36,227
 34,960
 37,133
 Long-term debt from the Bank, maturing on December 31, 2024
 90,000
 90,000
 55,000
 55,000
 Short-term debt 13,100 13,100 6,800 6,800
 Total \$ 244,056 \$ 239,717 \$ 199,874 \$ 199,945

24. Financial instruments and risk management (continued):
 (f) Capital management:

Corporation's name	Business number	Tax year end Year Month Day
Elexicon Energy Inc.	■■■■■■■■■■	2020-12-31

General Index of Financial Information

Notes to the financial statements

The Company considers its capital structure to consist of shareholder's equity, short-term debt, long-term debt, bank indebtedness, less cash and cash equivalents. The Company's capital structure was as follows:

	2020	2019
Cash		
\$ (799)		
\$ -		
Bank indebtedness	-	973
Short-term debt	13,100	6,800
Long-term debt	226,617	193,145
	239,717	200,918
Share capital	98,796	98,796
Retained earnings	48,188	45,400
Contributed surplus	77,849	77,849
Contributed capital	23	23
Accumulated other comprehensive loss	(1,788)	(805)
	223,068	221,263
Total capital	\$ 461,986	\$ 422,181

SCHEDULE 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Form identifier 125

Name of corporation	Business Number	Tax year-end Year Month Day
Elexicon Energy Inc.	███ ███	2020-12-31

- **Description**

Sequence number **0003** 01

Other comprehensive income – lines 7000 to 7020

7002	-983,435

Revenue – lines 8000 to 8299

8000	<u>551,934,496</u>	8089	<u>551,934,496</u>	8100	<u>257,052</u>
8210	<u>23,167</u>	8230	<u>2,577,688</u>	8299	<u>554,792,403</u>

Cost of sales – lines 8300 to 8519

8320	472,647,888	8518	472,647,888	8519	79,286,608

Operating expenses – lines 8520 to 9369

8522	430,449	8523	24,362	8670	17,454,800
8710	6,561,917	9270	45,618,148	9367	70,089,676
9368	542,737,564	9369	12,054,839		

Extraordinary items and taxes – lines 9970 to 9999

9970	<u>12,054,839</u>	9990	<u>353,032</u>	9995	<u>-956,940</u>
9998	<u>-983,435</u>	9999	<u>11,675,312</u>		

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

Canada Revenue
AgencyAgence du revenu
du Canada

Net Income (Loss) for Income Tax Purposes

Schedule 1

Corporation's name Ellexicon Energy Inc.	Business number [REDACTED]	Tax year-end Year Month Day 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 11,675,312 A

Add:

Provision for income taxes – current	101	353,032	
Provision for income taxes – deferred	102	-956,940	
Amortization of tangible assets	104	17,454,800	
Charitable donations and gifts from Schedule 2	112	430,449	
Scientific research expenditures deducted per financial statements	118	917,935	
Non-deductible club dues and fees	120	6,499	
Non-deductible meals and entertainment expenses	121	12,181	
Reserves from financial statements – balance at the end of the year	126	11,186,612	
Subtotal of additions		29,404,568	29,404,568

Other additions:

Taxable/non-deductible other comprehensive income items	239	983,435	

Miscellaneous other additions:

1 Description	2 Amount		
605	295		
1 Vehicle amortization	332,684		
2 12(1)(x) CIAC	16,341,414		
3 Unrealized loss on interest rate swap	3,465,541		
4 Regulatory assets - decrease	42,976		
5 Other amortization	27,036		
6 POEB capitalized for accounting	25,442		
7 2019 accrual not expensed	527,290		
8 Interest on leased assets	75,002		
Total of column 2	20,837,385	296	20,837,385
Subtotal of other additions	199	21,820,820	21,820,820 D
Total additions	500	51,225,388	51,225,388

Amount A plus line 500 62,900,700 B

Deduct:

Gain on disposal of assets per financial statements	401	23,167	
Capital cost allowance from Schedule 8	403	29,341,230	
SR&ED expenditures claimed in the year on line 460 from Form T661	411	1,273,416	
Reserves from financial statements – balance at the beginning of the year	414	10,500,630	
Subtotal of deductions		41,138,443	41,138,443

Other deductions:

Miscellaneous other deductions:

1 Description	2 Amount
705	395
1 13(7.4) election CIAC	16,341,414
2 Deferred revenue - AFT	3,132

Canada¹

* 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
1 st prior year	2019-12-31	108,455	108,455	108,455
2 nd prior year				
3 rd prior year				
4 th prior year				
5 th prior year				
6 th prior year*				
7 th prior year				
8 th prior year				
9 th prior year				
10 th prior year				
11 th prior year				
12 th prior year				
13 th prior year				
14 th prior year				
15 th prior year				
16 th prior year				
17 th prior year				
18 th prior year				
19 th prior year				
20 th prior year				
21 st prior year*				
Total (to line A)		108,455	108,455	108,455

* 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 %		22,736	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)	22,736	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)						22,736 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.

* 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 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	Additional deduction for gifts of medicine made before March 22, 2017	610 _____	
a _____ x $\left(\frac{b}{c}\right)$ =			
Québec	Additional deduction for gifts of medicine made before March 22, 2017	_____	
a _____ x $\left(\frac{b}{c}\right)$ =			
Alberta	Additional deduction for gifts of medicine made before March 22, 2017	_____	_____
a _____ x $\left(\frac{b}{c}\right)$ =			
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)			
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	660 _____	_____	_____
(enter this amount on line 315 of the T2 return)			
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
1 st prior year	2019-12-31			
2 nd prior year				
3 rd prior year				
4 th prior year				
5 th prior year				
6 th prior year*				
7 th prior year				
8 th prior year				
9 th prior year				
10 th prior year				
11 th prior year				
12 th prior year				
13 th prior year				
14 th prior year				
15 th prior year				
16 th prior year				
17 th prior year				
18 th prior year				
19 th prior year				
20 th prior year				
21 st 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

Year of origin:

Québec

	2019-12-31	
1 st prior year		
2 nd prior year		
3 rd prior year		
4 th prior year		
5 th prior year		
6 th prior year*		
7 th prior year		
8 th prior year		
9 th prior year		
10 th prior year		
11 th prior year		
12 th prior year		
13 th prior year		
14 th prior year		
15 th prior year		
16 th prior year		
17 th prior year		
18 th prior year		
19 th prior year		
20 th prior year		
21 st prior year*		
Total		

* These gifts expired in the current year.

Dividends Received, Taxable Dividends Paid, and Part IV Tax Calculation

Corporation's name	Business number	Tax year-end Year Month Day
Ellexicon Energy Inc.	■■■ ■■■ ■■■	2020-12-31

- 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.
- 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, I, L.1 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)	A1 B Enter 1 if payer corporation is connected	C Business Number of connected corporation	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	E Non-taxable dividends under section 83
	200	205	210	220	230
1		2			
Total of column E (enter amount on line 402 of Schedule 1)					

	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)^{note 1} 240	F1	G Eligible dividends included in column F 242	H Total taxable dividends paid by connected payer corporation (for tax year in column D) 250	
1					
	I Dividend refund of the connected payer corporation (for tax year in column D)^{note 2} 260	I.1 Dividend refund of the connected payer corporation from its eligible refundable dividend tax on hand (ERDTH) (for tax year in column D)^{notes 2 and 5}	J Part IV tax for eligible dividends. Dividends (from column G) multiplied by 38 1/3%^{note 3} 265	K Part IV tax before deductions. Dividends (from column F) multiplied by 38 1/3%^{note 4} 275	L Part IV tax before deductions on taxable dividends received from connected corporations^{notes 2 and 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 J or column K whichever one applies. 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. For column L, you only have to estimate the payer's dividend refund from its eligible refundable dividend tax on hand (ERDTH) (column I.1).

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 taxable dividends received from **connected** corporations (with a tax year starting **after 2018**), Part IV tax on dividends is equal to: column I.1 (total of amounts CC and II of the connected payer corporation (on page 7 of the T2 return)) **divided** by column H **multiplied** by column F. If there is no dividend refund to the connected payer corporation from its ERDTH for paying the taxable dividends, line 280 is nil.

Part 2 – Calculation of Part IV tax payable

Part IV tax on dividends received before deductions (amount 1H in part 1)	2A
Part IV 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 (ERDTH) 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)	
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 (ERDTH) at the end of the tax year.	
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 eligible 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 connected recipient corporation, 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 connected recipient corporation	M Business Number	N Tax year-end of connected recipient corporation in which the dividends in column O were received YYYYMMDD	O Taxable dividends paid to connected corporations	P Eligible dividends included in column O
	400	410	420	430	440
1	Ellexicon Corporation		2020-12-31	9,869,812	
2					

9,869,812
(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	9,869,812
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	9,869,812
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)		3,783,428 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)			9,869,812
Other dividends paid in the tax year (total of 510 to 540)			
Total dividends paid in the tax year	500		9,869,812
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)			9,869,812 4B



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
Flexicon Energy Inc.	██████████	2020-12-31

- 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 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		30,314	1A
Net capital losses deducted in the year (enter as a positive amount)		1B	
Taxable dividends deductible under section 112 or subsections 113(1) or 138(6)		1C	
Amount of Part VI.1 tax deductible under paragraph 110(1)(k)		1D	
Amount deductible as prospector's and grubstaker's shares – Paragraph 110(1)(d.2)		1E	
Employer deduction in respect of non-qualified securities – Paragraph 110(1)(e)		1F	
Subtotal (total of amounts 1B to 1F)			1G
Subtotal (amount 1A minus amount 1G; if positive, enter "0")			1H
Section 110.5 or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions			1I
Subtotal (amount 1H minus amount 1I)			1J
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)			1K
Current-year non-capital loss (amount 1J plus amount 1K; if positive, enter "0")			1L
If amount 1L 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	212,338	1M
Non-capital loss expired (note 1)	100	
Non-capital losses at the beginning of the tax year (amount 1M minus line 100)	102	212,338 ▶ 212,338
Non-capital losses transferred on an amalgamation or on the wind-up of a subsidiary (note 2) corporation	105	
Current-year non-capital loss (from amount 1L)	110	
Subtotal (line 105 plus line 110)		▶ 1N
Subtotal (line 102 plus amount 1N)		212,338 1O

Note 1: A non-capital loss expires after **20** tax years and an allowable business investment loss becomes a net capital loss after **10** tax years.

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.

Note 6: To get the net capital losses required to reduce the taxable capital gain included in the net income (loss) for the current tax year, 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.

Note 8: Capital losses can be carried forward indefinitely.

Continuity of farm losses and request for a carryback			
Farm losses at the end of the previous tax year		3A	
Farm loss expired (note 9)	300		
Farm losses at the beginning of the tax year (amount 3A minus line 300)	302		
Farm losses transferred on an amalgamation or on the wind-up of a subsidiary corporation	305		
Current-year farm loss (amount 1K in Part 1)	310		
	Subtotal (line 305 plus line 310)		3B
		Subtotal (line 302 plus amount 3B)	3C
Other adjustments (includes adjustments for an acquisition of control)	350		
Section 80 – Adjustments for forgiven amounts	340		
Farm losses of previous tax years applied in the current tax year	330		
Enter line 330 on line 334 of the T2 Return.			
Current and previous years farm losses applied against current-year taxable dividends subject to Part IV tax (note 10)	335		
	Subtotal (total of lines 350, 340, 330 and 335)		3D
	Farm losses before any request for a carryback (amount 3C minus amount 3D)		3E

First previous tax year to reduce taxable income	921	
Second previous tax year to reduce taxable income	922	
Third previous tax year to reduce taxable income	923	
First previous tax year to reduce taxable dividends subject to Part IV tax	931	
Second previous tax year to reduce taxable dividends subject to Part IV tax	932	
Third previous tax year to reduce taxable dividends subject to Part IV tax	933	
Subtotal (total of lines 921 to 933)		3F
Closing balance of farm losses to be carried forward to future tax years (amount 3E minus amount 3F)	380	

Note 10: Line 335 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	
(line 485 _____ – \$2,500) divided by 2 _____	4A	
Amount 4A or \$ 15,000 , whichever is less _____	▶ _____	4B
	<u>2,500</u>	4C
Subtotal (amount 4B plus amount 4C) _____	<u>2,500</u> ▶	<u>2,500</u> 4D
Current-year restricted farm loss (line 485 minus amount 4D) _____		4E

Continuity of restricted farm losses and request for a carryback

Restricted farm losses at the end of the previous tax year				4F
Restricted farm loss expired (note 11)	400			
Restricted farm losses at the beginning of the tax year (amount 4F minus line 400)	402		▶	
Restricted farm losses transferred on an amalgamation or on the wind-up of a subsidiary corporation 405				
Current-year restricted farm loss (from amount 4E)	410			
Enter line 410 on line 233 of Schedule 1, Net Income (Loss) for Income Tax Purposes.				
Subtotal (line 405 plus line 410)			▶	4G
				Subtotal (line 402 plus amount 4G)
				4H

Restricted farm losses from previous tax years applied against current farming income	430	_____	
Enter line 430 on line 333 of the T2 return.			
Section 80 – Adjustments for forgiven amounts	440	_____	
Other adjustments	450	_____	
Subtotal (total of lines 430 to 450)		<u>_____</u> ▶	<u>4I</u>
Restricted farm losses before any request for a carryback (amount 4H minus amount 4I)			4J

Request to carry back restricted farm loss to:

First previous tax year to reduce farming income	941	
Second previous tax year to reduce farming income	942	
Third previous tax year to reduce farming income	943	
Subtotal (total of lines 941 to 943)		4K
Closing balance of restricted farm losses to be carried forward to future tax years (amount 4J minus amount 4K)	480	

Note

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

Note 11: A restricted farm loss expires after **20** tax years.

— Current-year limited partnership losses

1.

1.

1

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

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

Yes

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.

- 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.

100 Enter the regulation that applies (402 to 413)

** For corporations other than those described under section 402, use the appropriate calculation described in the Regulations to allocate taxable income.

Canada⁺

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 _____ 298,928			
Ontario special additional tax on life insurance corporations (from Schedule 512) 280 _____			
Subtotal (line 278 plus line 280) _____ 298,928			5H 298,928
Total Ontario tax payable before refundable tax credits (amount 5G plus amount 5H) _____ 298,928 5I			
Ontario qualifying environmental trust tax credit 450 _____			
Ontario co-operative education tax credit (from Schedule 550) 452 _____ 2,880			
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) _____ 2,880			5J 2,880
Net Ontario tax payable or refundable tax credit (amount 5I minus amount 5J) 290 _____ 296,048			
(if a credit, enter amount in brackets) Include this amount on line 255.			

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** _____ 296,048

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.

1 Class number * See note 1	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	14 CCA rate % See note 11	15 Recapture of CCA See note 12	16 Terminal loss See note 13	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	18 UCC at the end of the year (column 9 minus column 17)
200					224	212	213	215	217	220
1. 1	Trans/dist before Feb 22/05					4	0	0	4,309,139	103,419,334
2. 1b	Building - Office		668,904	334,452		6	0	0	643,700	9,750,182
3. 2	GEN & DISTR < 1988					6	0	0	262,572	4,113,629
4. 8	Equipment		788,742	394,371		20	0	0	1,504,861	5,625,073
5. 10	Vehicles/Computer equipmet	23,167	761,526	380,763		30	0	0	1,157,130	2,319,207
6. 10.1	Vehicles#285 2008 ford escap					30	N/A	N/A	173	402
7. 10.1	Vehicles#284 2008 ford escap					30	N/A	N/A	173	403
8. 10.1	Vehicles#250 2009 silverado t					30	N/A	N/A	250	584
9. 10.1	Vehicles#302 2009 ford escap					30	N/A	N/A	357	834
10. 12	Software		2,132,936			100	0	0	2,431,362	
11. 13	Leasehold					NA	0	0	39,508	92,186
12. 17	Yard improvements					8	0	0	19,654	226,020
13. 42	Fibre optics					12	0	0	230	1,685
14. 45	Computers>22-03-04<19-03-04					45	0	0	201	245
15. 47	Trans/dist acquired after Feb 22/05	107,472	20,947,116	10,473,558		8	0	0	16,908,664	183,976,084
16. 50	Computer Hardware and Systems		1,555,525	777,763		55	0	0	1,573,159	509,367
17. 43.2	Clean energy generation		106,922	106,922		50	0	0	116,190	9,268
18. 14.1	Eligible Capital Property		9,269	4,635		5	0	0	373,907	5,505,986
19. 95	WIP no depreciation taken					0	0	0		24,071,908
Totals		130,639	26,970,940	12,472,464					29,341,230	339,622,397

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.

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	2 Business number of associated corporations	3 Association code	4 Business limit for the year before the allocation \$	5 Percentage of the business limit %	6 Business limit allocated* \$
	100	200	300		350	400
1	Ellexicon Energy Inc.		1	500,000	100.0000	500,000
2	Ellexicon Corporation		1	500,000		
3	Ellexicon Group Inc.		1	500,000		
				Total	100.0000	500,000

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.

Canada¹



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).

- 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
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	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.

Part 2 – Determination of a qualifying corporation

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.

- 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

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:

- one or more persons exempt from Part I tax under section 149
- Her Majesty in right of a province, a Canadian municipality, or any other public authority
- any combination of persons referred to in a) or b) above

Part 3 – Corporations in the farming industry

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 ☒

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

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)	1,786,694	
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)*	1,786,694	350
Repayments made in the year (from line 560 on Form T661)		370
Total qualified SR&ED expenditures (line 350 plus line 370)		380

* 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 ☒ 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

* 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** 1,786,694 x 15 % = 268,004 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) 268,004 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 credit and account balances – ITC from SR&ED expenditures

ITC at the end of the previous tax year 101,973 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** 101,973

Credit transferred on an amalgamation or the wind-up of a subsidiary **530** _____

Total current-year credit (from amount L2 in Part 11) **540** 268,004

Credit allocated from a partnership **550** _____

Subtotal (total of lines 530 to 550) 268,004 ► 268,004 O2

Total credit available (line 520 **plus** amount O2) 369,977 P2

Credit deducted from Part I tax **560** _____

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) _____ ► _____ Q2

Credit balance before refund (amount P2 **minus** amount Q2) 369,977 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** 369,977

	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.	=====

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.

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)	369,977	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.

Corporate partner's share of the excess of SR&ED ITC **760**
Enter at amount E3 in Part 17.

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)	=====	F3
Enter at amount A8 in Part 27.		

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)	B Name of eligible trade	C Eligible salary and wages*	D Column C x 10 %	E Lesser of column D or \$ 2,000
	601	602	603	604	605
1.		Powerline Technician			
2.		Powerline Technician			
Total current-year credit (total of column E) Enter on line 640 in Part 20.					4,000

* 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	4,000		
Credit allocated from a partnership	655			
Subtotal (total of lines 630 to 655)		4,000		D5
Total credit available (line 625 plus amount D5)			4,000	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	4,000	

Part 21 – Request for carryback of credit from apprenticeship job creation expenditures

Year	Month	Day

1st previous tax year
2nd previous tax year
3rd previous tax year

..... Credit to be applied
..... Credit to be applied
..... Credit to be applied

931

932

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

- 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				.....	Credit to be applied	942 _____
3rd previous tax year				.....	Credit to be applied	943 _____
					Total of lines 941 to 943	_____ K6
					Enter at amount i in Part 24.	=====

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)

20% 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)		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

Enter on line 652 of the T2 return.

Continuity of investment tax credit carryovers

* 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.

Part 1 – Capital (continued)

Subtotal A (from page 1) 224,856,372 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** 224,856,372

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:

- 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).
- 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.
- 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) 224,856,372 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** 224,856,372



Canada Revenue
Agency

Agence du revenu
du Canada

Schedule 55

Part III.1 Tax on Excessive Eligible Dividend Designations

Corporation's name	Business number	Tax year-end Year Month Day
Ellexicon Energy Inc.	██████████	2020-12-31

- 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.

Do not use this area

- 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	9,869,812	
Total taxable dividends paid in the tax year	100	9,869,812
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
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.

Corporation's name	Business number	Tax year-end Year Month Day
Flexicon Energy Inc.	██████████	2020-12-31

- ## Part 1 – Ontario SR&ED expenditure pool

Total eligible expenditures incurred by the corporation in Ontario in the tax year	100	1,851,496	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")		1,851,496	C
Eligible expenditures transferred to the corporation by another corporation	110		D
Subtotal (amount C plus amount D)		1,851,496	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	1,851,496	G

The repayment of the ORDC is calculated using the ORDC 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.

$$\frac{\text{Number of days in the tax year before June 1, 2016}}{\text{Number of days in the tax year}} = \frac{240}{241} \times 4.5\% = 4.5\%$$
$$\frac{\text{Number of days in the tax year after May 31, 2016}}{\text{Number of days in the tax year}} = \frac{242}{243} \times 3.5\% = 3.46\%$$
Subtotal (percentage 1 **plus** percentage 2) _____% 3

Repayments for a tax year that ends on or after June 1, 2016 and includes May 31, 2016 **211** x percentage 3 % = **216**

Part 4 – Calculation of ORDTC available for deduction and ORDTC balance

ORDTC balance at the end of the previous tax year	41,094	Y

ORDTC expired after 20 tax years	300	Z

ORDTC at the beginning of the tax year (amount Y minus amount Z)	305	41,094 AA

ORDTC transferred to the corporation on amalgamation or windup	310	BB

Current part of ORDTC 64,802 CC
(amount P, T or X in Part 3 whichever applies)

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) 64,802 ▶ 64,802 EE

ORDTC available for deduction (total of amounts AA, BB and EE)	105,896	105,896 FF

ORDTC claimed ** GG
(Enter amount GG on line 416 on page 5 of Schedule 5, *Tax Calculation Supplementary – Corporations*)

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	105,896	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
2019-12-31		

1 st previous tax year	2019-12-31	 Credit to be applied	901

2nd previous tax year Credit to be applied **902**

3rd previous tax year Credit to be applied **903**

Total (total of amount 901 to 903)(enter at amount HH in Part 4) _____

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

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

Total of column TT (enter at amount XX in Part 8) _____

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 ORDTG (enter at amount ZZ in Part 8) **760**

- 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 %	=
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)	.....				



Canada Revenue
Agency

Agence du revenu
du Canada

Schedule 510

Ontario Corporate Minimum Tax

Corporation's name	Business number	Tax year-end Year Month Day
Ellexicon Energy Inc.	██████████	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	648,468,018
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	119,869,236
Total assets (total of lines 112 to 116)		768,337,254
Total revenue of the corporation for the tax year **	142	554,792,403
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	15,765,655
Total revenue (total of lines 142 to 146)		570,558,058

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.

Page 2

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** 11,071,404

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** 11,071,404

Amount from line 520 11,071,404 × $\frac{\text{Number of days in the tax year before July 1, 2010}}{\text{Number of days in the tax year}}$ × 4 % = 1
366

Amount from line 520 11,071,404 × $\frac{\text{Number of days in the tax year after June 30, 2010}}{\text{Number of days in the tax year}}$ × 2.7 % = 2
366

Subtotal (amount 1 **plus** amount 2) 298,928 **3**

Gross CMT: amount on line 3 above x OAF ** **540** 298,928

Deduct:

Foreign tax credit for CMT purposes *** **550**

CMT after foreign tax credit deduction (line 540 **minus** line 550) (if negative, enter "0") 298,928 **D**

Deduct:

Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)

Net CMT payable (if negative, enter "0") 298,928 **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".

Note: If you entered an amount on line 620 or line 650, complete Part 6.

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.



ONTARIO CORPORATE MINIMUM TAX – TOTAL ASSETS AND REVENUE FOR ASSOCIATED CORPORATIONS

Name of corporation Elexicon Energy Inc.	Business Number [REDACTED]	Tax year-end Year Month Day 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	Business number (Canadian corporation only) (see Note 1)	Total assets* (see Note 2)	Total revenue** (see Note 2)
	200	300	400	500
1	Ellexicon Corporation		114,625,581	11,090,226
2	Ellexicon Group Inc.		5,243,655	4,675,429
			450	550
		Total	119,869,236	15,765,655

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 550

ONTARIO CO-OPERATIVE EDUCATION TAX CREDIT

Name of corporation Ellexicon Energy Inc.	Business Number [REDACTED]	Tax year-end Year Month Day 2020-12-31

- 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 [REDACTED]	120 Telephone number including area code (905) 427-9870
Is the claim filed for a CETC earned through a partnership? 150 1 Yes ☐ 2 No ☒	
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 ☒ 2 No ☐
2. Was the corporation exempt from tax under Part III of the <i>Taxation Act, 2007</i> (Ontario)? 210 1 Yes ☐ 2 No ☒
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	18,564,000

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:

$$\text{Eligible percentage} = 15\% - \left[5\% \times \left(\frac{\text{amount on line 300} \text{ minus } \$400,000}{\$200,000} \right) \right]$$

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:

$$\text{Eligible percentage} = 30 \% - \left[5 \% \times \left(\frac{\text{amount on line 300} \text{ minus } \$ 400,000}{\$ 200,000} \right) \right]$$

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.		Powerline Technician

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.		

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)		F2 Eligible expenditures after March 26, 2009 (see note 1 below)		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)
	450		452			
1.		10.000 %		25.000 %		11

	G Eligible amount (eligible expenditures multiplied by eligible percentage) (see note 2 below)	H Maximum CETC per WP (see note 3 below)	I CETC on eligible expenditures (column G or H, whichever is less)	J CETC on repayment of government assistance (see note 4 below)	K CETC for each WP (column I or column J)
	460	462	470	480	490
1.		3,000			
Ontario co-operative education tax credit (total of amounts in column K) 500					2,880 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				Elexion Energy Inc.											
Taxation Year				2020-01-01		to		2020-12-31							
Jurisdiction				Ontario											

BC	AB	SK	MB	ON	QC	NB	NS	NO	PE	NL	XO	YT	NT	NU	OC
☐	☐	☐	☐	☒	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

Corporation is associated	Y	
Corporation is related	Y	
Number of associated corporations	2	
Type of corporation	Canadian-Controlled Private Corporation	
Total amount due (refund) federal and provincial*	-103,952	

* The amounts displayed on lines "Total amount due (refund) federal and provincial" are all listed in the help. Press F1 to consult the context-sensitive help.

Summary of federal information

Net income		30,314
Taxable income		
Donations		378,452
Calculation of income from an active business carried on in Canada		30,314
Dividends paid		9,869,812
Dividends paid – Regular	9,869,812	
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		
Balance of the general rate income pool at the end of the year		
Part I tax (base amount)		
Credits against Part I tax	Summary of tax	Refunds/credits
Small business deduction	Part I	ITC refund
M&P deduction	Part IV	Dividends refund:
Foreign tax credit	Part III.1	– Eligible dividends
Investment tax credits	Other*	– Non-eligible dividends
Abatement/Other*	Provincial or territorial tax	Instalments
	296,048	400,000
		Other*
		Balance due/refund (–)
		-103,952

* 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	
Charitable donations	464,171
Investment tax credits	373,977
Non-capital losses	204,760
Financial statement reserve	11,186,612

Summary of provincial information – provincial income tax payable

	Ontario	Québec (CO-17)	Alberta (AT1)
Net income	30,314		
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***	298,928		
Instalments and refundable credits	2,880		
Balance due/Refund (-)	296,048		
Logging tax payable (COZ-1179)			
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**

Ontario research and development tax credit – Schedule 508	105,896
Corporate minimum tax credit that can be carried forward over 20 years – Schedule 510	500,391

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
Ellexicon Energy Inc.	222,067,437	222,067,437	224,856,372	224,856,372
Ellexicon Corporation	98,645,077	98,645,077	96,856,858	96,856,858
Ellexicon Group Inc.	3,578,119	3,578,119	3,752,738	3,752,738
Total	324,290,633	324,290,633	325,465,968	325,465,968

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 Forms CO-1029.8.33.CS and 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)
Ellexicon Energy Inc.	221,262,872
Ellexicon Corporation	
Ellexicon Group Inc.	
Total	221,262,872

Alberta

Corporate name	Taxable capital used to calculate the Alberta innovation employment grant (Schedule A29)
Total	

Other provinces

Corporate name	Capital used to calculate the Newfoundland and Labrador capital deduction on financial institutions (Schedule 306)
Total	

*** 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.

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.

Taxation year end	2020-12-31	2019-12-31			
Net income	30,314	-212,338			
Taxable income					
% Allocation	100.00	100.00			
Attributed taxable income					
Surtax					
Income tax payable before deduction					
Income tax deductions /credits					
Net income tax payable					
Taxable capital					
Capital tax payable					
Total tax payable*	298,928	201,463			
Instalments and refundable credits	2,880	3,795			
Balance due/refund**	296,048	197,668			

** For taxation years ending after December 31, 2008, the Balance due/Refund is included in the federal Balance due/refund.

Attached Notes – Summary

☐ Name of the cell Corporation's salaries and wages paid in the previous tax year Form ON Sch. 552 - Apprenticeship training tax credit

FS Note 22

jrajaratnam - 2021-06-09

Keep this note when rolling forward the file ☐

☐ Name of the cell GIFI code 8210 – Amount – Realized gains/losses on disposal of Form Sch. 8299 - Revenue

S1 adjustment

jrajaratnam - 2021-06-10

Keep this note when rolling forward the file ☐

☐ Name of the cell GIFI code 8522 – Amount – Donations Form Sch. 9367 - Operating expenses

S1 adjustment

jrajaratnam - 2021-06-10

Keep this note when rolling forward the file ☐

☐ Name of the cell GIFI code 8523 – Amount – Meals and entertainment Form Sch. 9367 - Operating expenses

S1 adjustment

jrajaratnam - 2021-06-10

Keep this note when rolling forward the file ☐

☐

Name of the cell GIFI code 8670 – Amount – Amortization of tangible assets Form Sch. 9367 - Operating expenses

S1 adjustment

jrajaratnam - 2021-06-10

Keep this note when rolling forward the file ☐

☐ Name of the cell GIFI code 9990 – Amount – Current income taxes Form Sch. 140 - Income statement summary

TB

jrajaratnam - 2021-06-10 Keep this note when rolling forward the file ☐

☐ Name of the cell GIFI code 9995 – Amount – Future (deferred) income tax provis Form Sch. 140 - Income statement summary

TB

jrajaratnam - 2021-06-10 Keep this note when rolling forward the file ☐

☐	Name of the cell <u>GIFI code 1061 – Allowance for doubtful accounts</u>	Form <u>Sch. 1599 - Current assets</u>
FS Note 3		
jrajaratnam - 2021-06-10		
Keep this note when rolling forward the file ☐		

☐	Name of the cell	<u>Attached schedule – Amount</u>	Form	<u>Schedule - Attached schedule with total</u>
FS				

Name of the cell	GIFI code 2680 – Taxes payable	Form	Sch. 3139 - Current liabilities
TB			
jrajaratnam - 2021-06-10	Keep this note when rolling forward the file		

☐	Name of the cell	<u>GIFI code 3700 – Dividends declared</u>	Form	<u>Sch. 3849 - Retained earnings/deficit</u>
CORR.2				

☐ Name of the cell _____ Amount of credit _____ Form T7B-1 - Schedule of instalment remittances

WP.1

jrajaratnam - 2021-06-10

Keep this note when rolling forward the file ☐

☐ Name of the cell Amount (\$100 or more only) Form Sch. 2 - Charitable donations and gifts

WP.1

jrajaratnam - 2021-06-10 Keep this note when rolling forward the file ☐

☐

Name of the cell Intangible capital assets – GIFI code 2010 – Intangible assets Form Sch. 2178 & 2179 - Intangible capital assets and accumulated a

FA continuity

jrajaratnam - 2021-06-10

Keep this note when rolling forward the file ☐

Name of the cell

GIFI code 2011 – Accumulated amortization of intangible assets

Form

Sch. 2178 & 2179 - Intangible capital assets and accumulated a

FA continuity

jrajaratnam - 2021-06-10

Keep this note when rolling forward the file

☐ Name of the cell Attached schedule – Amount Form Schedule - Attached schedule with total

FA continuity

jrajaratnam - 2021-06-10 Keep this note when rolling forward the file ☐

☐ Name of the cell Attached schedule – Amount Form Schedule - Attached schedule with total

FA continuity

jrajaratnam - 2021-06-10 Keep this note when rolling forward the file ☐

Name of the cell

Type of asset code

Form

Sch. 8 - Capital cost allowance (CCA) workchart

Solar panels per TB description.

jrajaratnam - 2021-06-11

Keep this note when rolling forward the file

Name of the cell

Taxable dividends paid to connected corporations

Form

Sch. 3 - Dividends received, taxable dividends paid, and part IV

CORR.2

jrajaratnam - 2021-06-14

Keep this note when rolling forward the file

☐ Name of the cell Corporation's salaries and wages paid in the previous tax year Form ON Sch. 550 - Co-operative education tax credit

FS Note 22

jrajaratnam - 2021-06-14 Keep this note when rolling forward the file ☐

☐ Name of the cell A – Name of university, college, or other eligible educational ins Form ON Sch. 550 - Co-operative education tax credit

PBC.3

jrajaratnam - 2021-06-15

Keep this note when rolling forward the file ☐

☐ Name of the cell A – Trade code – B – Apprenticeship program/ trade name Form ON Sch. 552 - Apprenticeship training tax credit

PBC.3
No apprentice qualifies for the Ontario apprenticeship credit in 2020.

jrajaratnam - 2021-06-15 Keep this note when rolling forward the file ☐

☐ Name of the cell A – Contract number (SIN or name of apprentice) Form Sch. 31 - Investment tax credit - corporations

PBC.3

jrajaratnam - 2021-06-15 Keep this note when rolling forward the file ☐

[illegible]



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		Enter one of the following:	
Ellexicon Energy Inc.		Business number (BN)	
Tax year			
From 2021-01-01 to 2021-12-31 Year Month Day Year Month Day		Social insurance number (SIN)	
050 Total number of projects you are claiming this tax year:			
6			
100 Contact person for the financial information	105 Telephone number/extension	110 Fax number	
	(905) 427-9870	(905) 668-6598	
115 Contact person for the technical information	120 Telephone number/extension	125 Fax number	
	(905) 427-9870	(905) 668-6598	

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

Part 2 - Project information

CRA internal form identifier 060

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

Code 1901

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 ☐ 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)

• 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	+	888,529
b) Specified employees for work performed in Canada	305	+	
Subtotal (add lines 300 and 305)	306	=	888,529
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	+	409,448
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	=	1,297,977

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)

Amount from line 380 420 1,297,977

Deduct

• provincial government assistance for expenditures included on line 380	429	–	42,563
• 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	–	
• sale of SR&ED capital assets and other deductions	440	–	
Subtotal (line 420 minus lines 429 to 440)	442	=	1,255,414

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)	455	=	1,255,414

(enter positive amount only, include negative amount in income)

• Deduction claimed in the year	460	–	1,255,414
(Corporations should enter this amount on line 411 of schedule T2SCH1)			

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		1,297,977
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	+	443,037
• qualified expenditures transferred to you (see note 3) (complete Form T1146**)	508	+	
Subtotal (add lines 492 to 508)	511	=	1,741,014
Deduct			
• provincial government assistance	513	–	58,069
• 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	–	81,890
• 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	=	1,601,055
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	=	1,601,055

* 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** + 888,529

Deduct

Bonuses, remuneration based on profits, and taxable benefits that were included on line 810 **812** – 83,007

Subtotal (line 810 minus 812) **814** = 805,522

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** = 805,522

Section B – Prescribed proxy amount (PPA)

Enter 55 % of the salary base (line 818) **820** = 443,037

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 P1: Distribution system automation	215,846			
2 P2: Operations Information Systems improvements	168,682			
3 P3: System planning & analysis for distribution network impr	148,632		409,448	
4 P4: Developing & applying Smart Grid (SG) concepts etc	229,010			
5 P5: Mobile Workforce Management System (MWFMS) design, dev	20,817			
6 P6: Improved Engineering project Design/Analysis through Cus	105,542			
Total	888,529		409,448	

Part 7 – Additional information

Expenditures for SR&ED performed by you in Canada (line 380 minus lines 307, 309, 340, 345, and 370) **605** 888,529

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	7
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 ☒
2. entered the method you have chosen for reporting your SR&ED expenditures in Section A of Part 3 ☒
3. completed Part 2 for each project ☒
4. filed a completed Schedule T2SCH31 or Form T2038(IND) to claim ITCs on your qualified SR&ED expenditures ☒
5. filed a completed Form T1145*, T1146**, T1174*** and/or T1263**** including any required attachments, if applicable ☐

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 ☒
2. filed the appropriate provincial and/or territorial tax credit forms, if applicable ☒
3. retained documents to support the SR&ED work performed and SR&ED expenditures you claimed ☒
4. checked boxes 231 and 232 on page 2 of your T2 return to indicate attachment of Form T661 and Schedule T2SCH31 ☒

* 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 ☒ 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. Under separate cover by Deloitte LLP					
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, Cynthia Chan, 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 2022-06-30
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 Cynthia Chan **170** 2022-06-30
Name of authorized signing officer of the corporation, or individual Signature Date

175 _____
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)			
P1: Distribution system automation			
202 Project start date	204 Completion or expected completion date	206 Field of science or technology code (See guide for list of codes)	
2015-05 Year Month	2024-12 Year Month	2.02.01	Electrical and electronic engineering
Project claim history			
208 1 ☒ 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 ☒ 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)	
1. The obstacles to be resolved were all connected with completing the	
2. installation of the balance of the 5 U/G switches, testing them individually	
3. and then networking, and integrating their operations/communications within	
4. Elexicon's SCADA system. As the items involved were all new to Elexicon and	
5. had to be installed on, within or adjacent to the existing facilities,	
6. physical limitations and accessibility issues were constraints in practically	
7. every case. More specifically the obstacles were:	
8. (1) Determining, for the U/G switch installations yet to be finished, the	
9. site specific design modifications to the base design used for the first	
10. partially completed installation, taking into consideration, as needed,	
11. locational and surrounding terrain constraints, potential foundation redesign	
12. for below grade installation, possible provision of a foundation for the low	
13. voltage control unit to be located above grade, and adding both drainage and	
14. sump pumping capability to deal with anticipated water incursions.	
15. (2) Understanding why any installed U/G switch unit malfunctions and	
16. developing solutions to eliminate any re-occurrence.	
17. (3) Integrating all U/G switches and the O/H switches with the SCADA system	
18. with intelligence that control the operation of the U/G units and O/H	
19. switches, with reliable, fail-safe communications.	
20. (4) Deciding what spare parts and modules should be provided to support the	
21. pilot after it goes live.	
22. (5) Conceiving and planning how the DAS pilot would be brought into service	
23. after the balance of the 18 switches were installed, and their operation	
24. verified on a standalone basis.	
25. (6) Establishing what monitoring and reporting was required to establish the	
26. reliability performance improvements that were actually achieved its	
27. operation.	
28. While Elexicon was used to operating switches remotely through its SCADA	
29. system tool, it would be a new mode of network operations for local automated	
30. switch operation to be performed on its own without any centralized	
31. intelligence or SCADA intervention. Radio survey and placement of Radios and	
32. RTU were essential part of the project to attempt to meet the SCADA	
33. communication requirement. However communication to SCADA was a challenge due	
34. to obstructions and an alternate solution was sought. In 2019 a further	
35. expansion of 3 networked switches in Whitby and work required to determine	
36. how to integrate them into the merged SCADA system and ensure reliable	
37. communications. In FY2020 there was an additional 5 O/H automated switches	

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

38. installed in Whitby in 2020. Work required to integrate them and communicate
39. reliably with them. In FY2021, four additional automated switches were
40. installed in Whitby, three additional switches (Ajax, Bowmanville, Port Hope)
41. were installed, two additional switches in Belleville. Work would be
42. required to integrate and communicate with them in a reliable and repeatable
43. manner.

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. Previously, now Ellexicon had made detailed installation designs for the set
2. of automated intelligent O/H switches and U/G switches and their installation
3. & testing on a standalone basis. Ellexicon had also designed & implemented
4. the IT infrastructure arrangements and radio communication system using a
5. separate IP network, after deciding how to route information from O/H switch
6. to U/G switchgear and vice versa, and on communications with the SCADA system
7. master. Software was upgraded and tested under various system loading
8. scenarios. Ellexicon has continued work for the firmware upgrade.
9. Communication upgrades and testing of the field devices to meet the software
10. and self-healing system requirements was undertaken. Ellexicon is continuing
11. the process of creating new standard operating procedures line and the system
12. control center; with a specific focus on in-fault and post-fault analysis.
13. SOP's continued to be developed to encompass all Districts.
14. DAS pilot efforts continued. However, component replacements were necessary
15. to move to the next stage in which the DA pilot would be capable of running
16. on its own and opening and closing switches based upon distribution network
17. grid events. Testing on a standalone switch basis continued to verify
18. communications linkages with the SCADA system. This work had led to a
19. decision to replace a below grade switchgear with a pad mounted switchgear at
20. grade. Efforts towards conducting the DA pilot to go live continued without
21. this unit in place. New pad mounted switch gear unit was installed and we
22. continued to attempt to develop a self-healing system configuration. However,
23. the gear is now integrated into SCADA and radio survey continue to be
24. undertaken to better assess communication status.
25. Throughout the development period, we worked on SCADA programming for the
26. self-healing system, so that if there is a power-loss, then the switch will
27. identify there is a power loss, and the power will re-route automatically.
28. We also continued working on the SMART portion of this pilot trial all year.
29. The system went live for testing in earlier fiscal periods, and while it
30. appeared to work well; the self-healing switches had required additional
31. development. Reprogrammed the self-healing team using most updated
32. technology to achieve better functionalities. This upgrade allows Ellexicon
33. engineers to remotely control and reconfigure/ reroute the system devices
34. without going in to the field. This work is now considered complete. While
35. the primary development work is now considered complete there have been
36. observed failures with incremental development activity required. We
37. continued working on the SMART portion of the pilot trial. We further
38. continued with ongoing reprogramming activities based on system changes, as a
39. part of continuous improvement where the feedback from the prior trial
40. results acted as an input for subsequent improvement.
41. To track the improvements and the benefits of the changes (due to
42. reprogramming); we performed the required testing's using simulation
43. software. Testing continued on the functionality of Automatic Restoration
44. System and approved by Ellexicon. Failures were noted, modifications made and
45. testing repeated. The self-healing system continued to be revised to attempt
46. to accommodate newly installed switches and a future extension of the scope
47. of functionality. This work is now considered complete with periodic
48. re-examination conducted as failures periodically occur.
49. Other work included adding radio repeaters and revising switch antenna

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)
50.	heights to attempt to avoid communication losses of SCADA. A radio survey was
51.	subsequently conducted and modifications. Revisions to procedures and
52.	standards will remain ongoing. Further analysis was conducted and completed
53.	for radio traffic concerns in specific regions.

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 advancement sought was to increase the understanding and the application
2.	know-how; to implement distribution automation system (DAS) concepts with
3.	intelligent switches to improve reliability performance in an area whose
4.	performance was continuing to deteriorate. VCI wanted to use groups of
5.	switches, incorporating automatic sensing and operation, to sense/isolate
6.	faults, and then restore power to unaffected parts of the local network.
7.	Ellexicon had examined the issues, challenges and obstacles associated with a
8.	DAS pilot for the 13.8kV O/H lines and U/G cables on the 4-feeders. Its
9.	analysis indicated an improvement potential to go to 24.4 minutes from 72.3
10.	minutes/customer/year. Other notable achievements included: S&C self-healing
11.	system - firmware upgrade, reprogramming SCADA redundancy and back up control
12.	room as well as mobile SCADA control room. In FY2020 further advancements
13.	were achieved with [REDACTED] software and system self-configurable based
14.	solutions; The ability to accommodate future addition of the switches in the
15.	self-healing system; the knowledge of repeater locations, orientations and
16.	configurations; and improvement methodologies to attempt to achieve greater
17.	reliability of communication paths.

Section C – Additional project information

Who prepared the responses for Section B?

253	1 ☒ Employee directly involved in the project	254	Name	[REDACTED]
255	1 ☐ Other employee of the company	256	Name	
257	1 ☒ External consultant	258	Name	Deloitte LLP
		259	Firm	Deloitte LLP

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

260	Names	261	Qualifications/experience and position title
1	[REDACTED]		
2	[REDACTED]		
3	[REDACTED]		

265	Are you claiming any salary or wages for SR&ED performed outside Canada?	☐ Yes	☒ No
266	Are you claiming expenditures for SR&ED carried out on behalf of another party?	☐ Yes	☒ No
267	Are you claiming expenditures for SR&ED performed by people other than your employees?	☐ Yes	☒ No

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

268	Names of individuals or companies	269	BN
1			

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	☒	Records of resources allocated to the project, time sheets	277	1	☐	Test protocols, test data, analysis of test results, conclusions
272	1	☐	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	☐	Contracts
275	1	☐	Records of trial runs	281	1	☒	Others, specify 282 emails

Part 2 – Project information (continued)

Project number 2

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)

P2: Operations Information Systems improvements

202 Project start date

2015-01

Year Month

204 Completion or expected completion date

2024-08

Year Month

206 Field of science or technology code
(See guide for list of codes)

2.02.01

Electrical and electronic engineering

Project claim history

208 1 ☒ 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 ☒ 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)

1. Interfacing the OMS tool to various other systems, was still a concern. The
2. OMS/GIS interface still needed to be verified from additional testing and
3. experimentation continued with improvements in customer communication by
4. interfacing with social media, phone systems and email systems. The
5. improvement contribution from using an Enterprise Service Bus (ESB) and
6. whether one was worth implementing was a continuing uncertainty that would
7. not be resolved until a solution was completed and the next interface
8. initiated. Progress continued on enhancement of the GIS to improve
9. performance, as well as to create operating geo-schematics directly from the
10. GIS. This would add greater uncertainty in understanding how to interface two
11. distinctly different GIS systems from two different vendors and in
12. manipulating schematic engines into providing the desired result. In
13. addition, paper mapping processes in the system control centre were very
14. inefficient and no industry solution could be found to eliminate these paper
15. maps altogether.
16. In previous periods updates to existing applications were required, [REDACTED]
- [REDACTED] and various other
18. enhancements. The DMB (Digital Map Board) application provided some unique
19. challenges in requiring maps at different scales and pixel density to be
20. displayed on a single continuous interface. Ellexicon attempted to overcome
21. many of these challenges by caching at various resolutions, reconfiguring
22. schematics, and devising software tools to attempt to allow for quick high
23. quality zooming, leading to the conversion of almost all distribution level
24. maps. However, there are still some challenges with regards to operating
25. level maps. The pixel density of the hardware itself has become an issue.
26. Ellexicon has tried multiple hardware configurations in an attempt to resolve
27. this, so far with no success. In FY19, work continued on attempting to
28. optimize map services. Specifically, a new caching scheme was devised for
29. incremental caching such that the entire map is cached into bitmaps and
30. served to consumers (similar to web mapping applications), but then changes
31. were incrementally cached on demand when detected. While still in
32. development, this new mechanism, along with the new vector caching function
33. introduced by Esri has been very promising. There are still issues to
34. overcome such as how to cache layers incompatible with vector caching such as
35. annotations. There is currently no known industry solution for this problem
36. when using a hybrid GIS system such as Ellexicon is using. In FY20, we saw the
37. disruption of the normal flow of activities due to the merger between

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

38. Ellexicon and Whitby Hydro, as well as the pandemic declaration. The year was
39. spent in a combination of two distinct efforts: accommodating the change in
40. normal workflows due to the lockdowns and accommodating the change in work
41. procedures following the consolidation of systems such as the GIS and OMS. In
42. FY2021 many of the challenges persisted and were amplified by Ellexicon's move
43. from a single control room to four, and required ongoing experimentation with
44. digitizing previous workflow models.

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. Though development continued on the existing GIS viewer and new features were
2. added, because Microsoft has ended support of its [REDACTED]
3. (on which the GIS viewer was build) it was decided that the application would
4. be re-written as a windows 10 universal application, whose code can also be
5. used in conjunction with [REDACTED] to deploy to IOS and Android in the future.
6. Development on this began in a previous fiscal period with the plan to be
7. deployed in later fiscal periods. The deployment of the application was
8. delayed, in part due to performance issues of several aspects of the
9. application. However, several trials were conducted with the underlying GIS
10. software to improve performance - this work would extend into 2021 with a new
11. GIS viewer capability.
12. Because of a pending merger and because of a major set of breaking API
13. changes from a vendor, progress on the new GIS application was paused in
14. previous fiscal periods, however some development was required to keep the
15. aging [REDACTED] application functional such as [REDACTED]
16. [REDACTED] and adding support for vector tiles. Because the GIS
17. vendor [REDACTED] behind the application has been deprecated by the
18. vendor, these features had to be manually ported back to the application by
19. Ellexicon. These activities continued into FY2021.
20. Enhancements to the schematics solution included adding the ability to have
21. multiple schematic diagrams for a single area to accommodate different
22. switching maps. This involved engineering and use of undocumented features in
23. the Esri Schematics schema. This work continued into 2018 with the addition
24. of a new custom built and designed app to replace the paper maps in the
25. system control centre with a 'digital map board', with deployment and field
26. testing. Migration of existing schematics was continued through 2019, with
27. the porting of a switching map (44kV Ajax Pickering switching map), which
28. presented several new problems due to the difference in scaling and the
29. geographic overlap with the existing distribution maps. Again this work will
30. be resumed post merger. In 2020, the existing schematics had to be migrated
31. over to suite the new GIS data model that was the product of the GIS
32. consolidation project. 2021 saw the continuation of this work extended to
33. 27.6kV maps, 13.8kV maps and 44kV maps, now merged with Whitby data.
34. The first version of the Digital Map Board was successfully launched and work
35. continued to enhance and expand its use. Almost all distribution-level paper
36. maps were ported to the new system and work begun on migrating switching maps
37. as well, though new challenges arose from that work as described above. A new
38. version to the digital map board was developed and brought [REDACTED]
39. [REDACTED] the GIS data and the digital map board, enabling the
40. digital map board to [REDACTED]. Extensive ADMS
41. Work was undertaken in FY2021.
42. CYME development - Following the GIS consolidation, the existing tools used
43. to export to CYME were no longer compatible with the new data model. In an
44. attempt to create a reusable export from the GIS, Ellexicon began to test a
45. solution that would export the GIS data to a CIM-compliant model, which could
46. be then imported by the CYME software. After multiple iterations and some
47. development effort, it was found that the Common Information Model (CIM) was
48. not standardized or well documented enough to be imported successfully by

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)

49. CYME. This effort was subsequently abandoned, and the CYME gateway was
50. instead updated in 2021 to conform to the new data model.
51. The GIS consolidation was a major initiative in 2020 where Ellexicon studied
52. each of the former utilities' data models, and developed a new, future-
53. friendly GIS data model to Ellexicon Energy. The migration of the existing
54. data from the two legacy systems was then catalogued, cleaned and mapped to
55. the new data model in a scripted execution that was iteratively performed,
56. tested and refined over the FY2020 and extended into FY2021. All interfaces
57. to the various systems (with the exception of CYME) were also rewritten (eg.
58. Interfaces to [REDACTED]).
59. Digitized movement forms - In addition to the highlighted activities,
60. development was started in 2020 on a new digital movement form application to
61. allow asset information to be collected by field crews on mobile devices
62. (iPhone). This application was built in house in order to allow the future
63. implementation of advanced functions such as using machine vision to read
64. nameplate information. The first phase of application was undertaken in 2021
65. with advanced functionality, such as machine vision, to follow in subsequent
66. years. Extensive cyber security concepts were also explored in FY21.

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. We have continued to incrementally add capability in the interface between an
2. ESRI (new) GIS system with the (existing) [REDACTED] system - grafting two
3. distinct, somewhat incompatible GIS systems together in order to take
4. advantage of the strengths of each. We also successfully developed, tested
5. and deployed to public beta a customer outage notification system that now
6. interfaces not only with twitter, email, and web systems but also directly to
7. customers via SMS and text to speech voice calls.
8. Development is nearly complete on a rebuild of the [REDACTED] which
9. will enable us to reuse the vast majority of client-side code to redeploy to
10. IOS and Android in the future.
11. In addition, the development of a new robust digital map board application
12. allowed us to gradually replace paper mapping processes with more reliable,
13. efficient and robust digital processes.
14. Ellexicon unfortunately had to abandon much of the work performed on the
15. rebuild of the GIS viewer, however the development effort was not wasted:
16. much of the inking and mapping code was ported to the new Digital Map Board
17. (DMB) application, which was launched successfully in the system control
18. centre. Because the DMB application requires close to 100% up-time,
19. improvements have been incrementally added to the communications module to
20. address synching issues, many of which were discovered during a 'disaster'
21. recovery scenario in the main office.
22. With the continued incremental improvements to the DMB and the GIS caching,
23. the process has become more streamlined and is now ready to be passed on as a
24. regular part of business to non-technical users. This will occur in 2020 as
25. the structure of the organization continues to change.
26. Ellexicon continued to attempt to implement an export to the common
27. information model (CIM), an emerging industry standard data exchange format,
28. from its new consolidated GIS. While the CIM proved to be underdeveloped with
29. third party partners, Ellexicon laid the framework to perform such an export
30. in the future. In addition, a new GIS data model was designed and migrated to
31. that will enable future use of more advanced tools such as an ADMS. Knowledge
32. was gained on cyber security concepts specific to our systems.

Section C – Additional project information

Who prepared the responses for Section B?

253	1 ☒ Employee directly involved in the project	254	Name	
255	1 ☐ Other employee of the company	256	Name	
257	1 ☒ External consultant	258	Name	259 Firm
			Deloitte LLP	Deloitte LLP

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

260	Names	261	Qualifications/experience and position title
1			
2			
3			

265	Are you claiming any salary or wages for SR&ED performed outside Canada?	☐ Yes	☒ No
266	Are you claiming expenditures for SR&ED carried out on behalf of another party?	☐ Yes	☒ No
267	Are you claiming expenditures for SR&ED performed by people other than your employees?	☐ Yes	☒ No

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

268	Names of individuals or companies	269	BN
1			

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 ☒ Records of resources allocated to the project, time sheets	277	1 ☒ Test protocols, test data, analysis of test results, conclusions
272	1 ☐ 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 ☐ Contracts
275	1 ☐ Records of trial runs	281	1 ☒ Others, specify 282 emails

Part 2 – Project information (continued)

Project number **3**

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)

P3: System planning & analysis for distribution network impr

202 Project start date

2012-01

Year Month

204 Completion or expected completion date

2025-08

Year Month

206 Field of science or technology code
(See guide for list of codes)

2.02.01

Electrical and electronic engineering

Project claim history

208 1 ☒ 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 ☒ 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)

1. Ellexicon faces a number challenges with regards to its distribution network.
2. These challenges include: Its network's ability to accept the connection of
3. new residential, commercial and industrial loads; How to reinforce or augment
4. the network based on existing loading, and deteriorating reliability issues,
5. to create longer term plans for servicing future expected growth areas and
6. reliability performance improvements; Making proper load switching decisions
7. for station outages due to maintenance given existing loading conditions,
8. and; Its network's ability to accept FIT and micro-FIT sustainable generation
9. connection applications approved by the OPA.
10. At the core of resolving all these challenges is the need for an accurate
11. picture/model of the network in its current state. Such models are
12. invaluable to investigate and accurately assess the impact of accommodating
13. any of the above proposed changes in network capability and capacity.
14. Even with an existing set of models of the configuration carried over from
15. prior years, a specific challenge is to meet the essential need to keep the
16. models up-to-date so that they continue to reflect the status quo. Ideally,
17. GIS downloads, either manually or automatically, facilitate model updating.
18. Ellexicon relies on manual updates. If updating is not done, the results of
19. studies and simulation runs in terms of impacts of proposed changes is
20. compromised. Even if up-to-date models are available for simulation studies
21. to investigate capacity/capability issues, another important factor is that
22. the network improvement proposals (that results from system planning and
23. analysis activities) have to be both technically sound and cost effective.
24. This challenge usually means that all the solution candidates identified as
25. possibilities need to be investigated in detail before a preferred solution
26. emerges from the modeling and simulation efforts that identified them in the
27. first place. Load forecasting is necessary to attempt to resolve
28. uncertainties in advance. With older areas, when modeling and simulation is
29. being used to identify options from improving reliability performance, the
30. other factor that has to be incorporated in the analysis is that of
31. refurbishment or replacement of the existing infrastructure.

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. As per the previous fiscal periods, the main focus of modeling and simulation
2. efforts continued on improving the configuration and performance of the
3. network in the Ajax area. The area model was first updated before

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)

4. simulations were run. The Ajax area has the most complex network arrangements
5. with deteriorating infrastructure and reliability performance. Unjacketed,
6. direct buried cables with brittle neutrals are failing and these failures
7. continued to be the driver of efforts to consider adding another transformer
8. station, coupled with the possibility of using cable refurbishments with
9. injections of insulating fluid. Ellexicon continued experimentation with
10. refurbishing failing cables with the injection of insulating fluid and tested
11. adding a cable condition test to attempt to evaluate the methodology -
12. analysis and modifications will follow in subsequent fiscal periods. We
13. tested and injected the areas below, and intend on analyzing the results in
14. 2021
15. The existing system models were used to investigate potential improvements in
16. the Belleville, Brockville and Clarington areas of Ellexicon's service
17. territory; however no significant improvement opportunities were identified.
18. Work was spread across all districts to ensure the distribution network would
19. continue to operate well and not offer undue reliability risks. Loading was
20. assessed and potential projects were developed to improve areas with
21. limitations to growth and/or operational concerns such as inability to backup
22. areas from other surrounding supply points. In our Whitby Service Area
23. Ellexicon completed an electrical system model to enable load flow
24. calculations to be conducted and identified potential improvement
25. opportunities. Work continues in FY2022 and into FY2023 on a new consolidated
26. model with advanced features that will enable Ellexicon to conduct more
27. accurate load flow studies using smart meter data of individual customers.
28. We also continued work on developing new load forecasts (taking into account
29. the impact of embedded generation); long term planning for a new Transformer
30. Station south of the proposed airport land; as well as fault-level modeling.
31. Fault-level modeling is required when modeling and assessing the impact of
32. proposed units of distributed generation - that would be embedded inside the
33. Ellexicon system. While mainly Solar PV proposals were involved, some wind and
34. bio-gas proposals were included in the portfolio to be reviewed. As
35. referenced already, particular attention was paid to the predicted response
36. of these proposed generators under fault conditions. Each application
37. requires thorough analysis of impacts to system reliability and the stability
38. of the supply voltage. As part of our system modelling improvements the model
39. has been updated to include all possible generation technologies,
40. jurisdictions (former Veridian and Whitby area) and GIS systems. All (>10kW)
41. connected generation projects including Natural Gas and Battery systems were
42. successfully embedded into Ellexicon's current system model in FY2021. This
43. activity continues with connected generation sites with Micro-Gen projects
44. (<10kW) as part of the model enhancement project.
45. A new Load Forecast Model [Metsco assisted in the activity] was initiated to
46. attempt to overcome ongoing uncertainties of future variations of
47. distribution voltages and the network to industrial, commercial and
48. residential end-customers with the main objective to supply the electrical
49. load to its customers safely, reliably, and economically. The power system
50. design requires suitably rated equipment and distribution lines such as
51. conductors, distribution step down substations with transformers and
52. switchgears, distribution feeders with pole mounted transformers, as well as
53. underground transformers in vaults. Furthermore, not all customers operate
54. all their equipment at the same time, and some equipment operates at less
55. than full load, thus the resultant demand on the power equipment is less than
56. the connected load. Application of factors to load demand, such as demand
57. factor, diversity factor, load factor and coincident factor help the system
58. designer optimize the design of feeders, transformers and buses/switchgears
59. for immediate load requirements and predicted future loading needs. In order
60. to meet the normal, abnormal or emergency load requirements of the area, the
61. present capacities of the feeders, transformers, switchgears and substations

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)
62.	would be analyzed and reliable future plans for upgrades to the power system
63.	developed. In FY21 we improved user interface (clear input and output layout)
64.	and ability to update future years.
65.	Decisions are also involved about monitoring and control requirements when
66.	large capacity DG units are being proposed. As there are some known
67.	constraints that Hydro One has imposed on parts of the existing system, like
68.	acceptable DG penetration rates per feeder, Ellexicon needs to manage and deal
69.	with them. While these requests are still being managed on a case-by-case
70.	basis, it is anticipated there will be a future need to develop new protocols
71.	as the distributed generators embedded in the Ellexicon system become
72.	increasingly common. In FY2020 DG analysis activities would include modelling
73.	of Natural Gas Turbine power generation and Battery Storage Energy. Thorough
74.	connection impact assessments (CIAs) were initiated to attempt to understand
75.	how large-scale generators impact the existing Ellexicon grid (i.e system
76.	thermal loading, short circuit capacity, load flow and system voltage
77.	profile, power quality, protection and control, upstream Hydro One
78.	requirements, metering etc...). In order to complete comprehensive system
79.	study, we had to construct accurate distribution system model using CYME
80.	software. Then the generators also needed to be accurately modelled and
81.	studied. A fine balance must be established between ensuring the safety of
82.	operation and accommodating customer requirements. The volume and complexity
83.	of these studies were a challenge to our utility initially. After a year of
84.	refining our modelling method, we gained enough experience to accurately
85.	assess these generators and work with our customer to complete the projects.
86.	Also, continuing from previous periods we performed further work to predict
87.	responses under fault conditions. We also continued with our analysis for
88.	creating new applications of the generators. Special attention was paid to
89.	develop the predicted response of these generators under fault conditions;
90.	where each application required thorough analysis of the impacts to system's
91.	reliability and the stability of the supply voltage. Other ongoing activities
92.	included: Protection settings and coordination studies; Developed and
93.	programmed for SCADA monitoring and control; and P&C work on renewable
94.	generation alternatives.

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.	They are, in general, a set of proposed improvements to the current
2.	configuration and facilities of a distribution network - across an
3.	unconsolidated service territory - that have been developed for each specific
4.	area and district from the modeling and analysis studies undertaken with a
5.	specialized simulation S/W tool. These proposed improvements are typically
6.	the results of analyzing aspects such as: Feeder layout in an area to
7.	determine new transformer locations to maximize operational flexibility and
8.	minimize losses; Servicing requirements of a new proposed development to
9.	understand the best connection plans to the network such as that for the
10.	proposed Seaton community investigated last year through multiple analyses of
11.	voltage levels and fault currents to estimate increased loading and supply
12.	options with existing and possible new feeders; Substation loading across
13.	Ellexicon's service territories to assess its network's operability with
14.	certain substations being off-line; The network's ability to handle
15.	new/expanded commercial/industrial loads; Evaluation and impact analysis of
16.	new distributed/embedded generators being proposed to feed into the Ellexicon
17.	network as a consequence of the Green Energy and Green Economy Act (GEGEA)
18.	Feed-in-Tariff (FIT) and micro-FIT programs; and Examining how areas with
19.	older, aging infrastructure can be reconfigured or reinforced using
20.	predictive modeling/forecasting to mitigate the impacts of possible
21.	substation failures during peak load times on customer service and system
22.	stability, to prepare contingency operational plans to prepare Ellexicon's

23. response in the event of failures, and to reduce the incidence of outages.
24. With a set of models for all sections of its service territory - from the
25. 44kV through 4.16kV levels - of its existing configurations, Ellexicon had the
26. basis to investigate potential changes (via load forecast modelling) to
27. attempt to deal with, for example, the impact of load changes, potential
28. solutions to segments of the network with chronic problems, in order to
29. improve its distribution system performance from the perspectives of
30. reliability, balanced loading, level of losses and delivered power quality.
31. The volume and complexity of these studies were a challenge to our utility
32. initially. After a year of refining our DG modelling method, we gained enough
33. experience to accurately assess these generators and work with our customer
34. to complete the projects.
35. New insights / lessons learned in FY21: Feeder expansion plans were developed
36. to accommodate load growth (Des Newman MS);
37. New 44kV feeders in the Whitby area (40M5 and 40M6); - Station upgrades to
38. improve reliability and system contingency in the Whitby area (Rossland West
39. and Lawler MS) and Trip savers added at potential problem areas to improve
40. system reliability.

Section C – Additional project information

Who prepared the responses for Section B?

253	1 ☒ Employee directly involved in the project	254	Name	
255	1 ☐ Other employee of the company	256	Name	
257	1 ☒ External consultant	258	Name	259 Firm
			Deloitte LLP	Deloitte LLP

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

260	Names	261	Qualifications/experience and position title
1			
2			
3			

265 Are you claiming any salary or wages for SR&ED performed outside Canada? ☐ Yes ☒ No

266 Are you claiming expenditures for SR&ED carried out on behalf of another party? ☐ Yes ☒ No

267 Are you claiming expenditures for SR&ED performed by people other than your employees? ☒ Yes ☐ No

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

268	Names of individuals or companies	269	BN
1	Metsco		

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 ☒ Records of resources allocated to the project, time sheets	277	1 ☒ Test protocols, test data, analysis of test results, conclusions
272	1 ☐ 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 ☒ Contracts
275	1 ☐ Records of trial runs	281	1 ☒ Others, specify 282 Emails

Part 2 – Project information (continued)

Project number 4

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)

P4: Developing & applying Smart Grid (SG) concepts etc

202 Project start date

2017-01

Year Month

204 Completion or expected completion date

2023-06

Year Month

206 Field of science or technology code
(See guide for list of codes)

2.02.01

Electrical and electronic engineering

Project claim history

208 1 ☒ 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 ☒ 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)

1. Ellexicon had developed a better understanding of the Ontario SG Forum's SG
2. definition as one that ""uses sensors, monitoring, communication, automation
3. and computers to improve the flexibility, security, reliability, efficiency
4. and safety of the electricity system"", and Ontario's Green Energy & Green
5. Economy Act requirements. It reviewed how existing tools/practices and those
6. under development could be incorporated into a SG framework. In addition,
7. Ellexicon investigated: (1) the state-of-the-art in SG technologies; (2)
8. actual and proposed SG-like innovations already available; (3) the principal
9. drivers for SG efforts and their impact on work either undertaken or still in
10. progress. From the data collected and analyzed, a preliminary approach was
11. developed to deploy SG concepts, techniques, methodologies & related
12. equipment. It was not, however, taken to the detailed level of a Green Plan
13. and uncertainties persisted. Smart Community Microgrid project was
14. subsequently determined to be a test bed for the company for deployment of
15. DERs for grid benefits, islanding and grid connected microgrid assets for
16. added resiliency, EV charging profiles and growth in the community, etc.
17. Testing these constructs and identifying operational procedures in this
18. environment would lead to more confidence within the utility to promote and
19. plan for higher adoption of DERs and EVs, rather than having an aversion for
20. them. The uncertainties of the activity would be associated with whether
21. residents would have sufficient system intelligence and analytics to better
22. manage their energy needs and challenges with and viable solutions for
23. deploying a smart energy community in Ontario, given its unique electricity
24. grid and standards.

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. Ellexicon had started working on the Smart Community Microgrid (SCM) project
2. in a past fiscal period and the work continues into the present. It initiated
3. with a SCM demonstration project designed & developed together with the City
4. of Pickering, Marshall Homes (the developer), Opus One Solutions (technology
5. partner). The intended result was greater efficient energy use, decrease in
6. GHG consumption from reduced electricity required from the grid & lowering
7. usage at home using smart appliances & thermostats. The community would
8. generate clean electricity during the day & store electricity during the
9. night when GHG based electrons are at its lowest. Resiliency against loss of
10. power (grid failure) increased due to self-generation & storage for community

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)

11. purposes. The site included the energy storage, roof top solar, EV charging
12. station, GridOS Distributed Energy resources management system (DERMS) to
13. provide an innovative approach to community development to provide
14. resiliency, energy conservation and demand management for the residents and
15. electric utility respectively. Extensive work continued on design, equipment
16. specifications evolved and a microgrid developed and DERMS software
17. iteratively devised and interfaced with the expanding community storage and
18. generation concepts. DERMS testing continues to be performed using actual
19. feeder parameters. Actual field work design continues to be in progress.
20. Power quality failures continue to be encountered and advanced meters used in
21. follow up investigations. In order to capture the power quality data, we
22. acquired and utilized [REDACTED] software in
23. FY20 with testing conducted in FY21. The software was able to collect and
24. export data that supports the failure was caused by a large user operation
25. and data analysis continues to be performed.

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. Ellexicon sought to acquire the knowledge and capabilities it needed to deploy
2. and implement a range of Smart Grid concepts and technologies across its
3. existing distribution network to transition it to one that has a fully
4. intelligent infrastructure with:
5. (1) Compatible, durable and reliable equipment with built-in sensing and
6. intelligent electronic devices for monitoring, fault diagnosis, and self-
7. restoration capabilities.
8. (2) Fail-safe, robust, fast, high band-width, 2-way advanced communications
9. from customers to the grid control center.
10. (3) Centralized monitoring and control utilizing integrated data bases for
11. customer information, for asset records including their geographic locations,
12. for the management of outages, for grid operations and for making physical
13. changes to the grid infrastructure.
14. (4) Informed & intelligent operators and customers regarding electricity use
15. and the assets for local generation, distribution & storage and initiatives
16. to facilitate wise consumption for system-wide benefits; and
17. (5) Unrestricted capability to accommodate, plug-in hybrid electric vehicles
18. (EV), distributed generation (DG), and potentially energy storage. In
19. summary, an SG is one that supports the 2-way flows of electricity, data &
20. information.
21. To date, we have advanced our knowledge and general understanding on:
22. (A) the applicability of different types & capabilities of SG systems and
23. equipment - either currently commercially available or at a prototype stage -
24. to permit their evaluation with a view to establishing a set of preferred
25. concepts, techniques and methodologies that VCI could implement;
26. (B) facilitating system reliability improvements via reduced outages and
27. quicker response times and adding more visibility to the system;
28. (C) making more efficient use of existing infrastructure and reducing losses;
29. (D) empowering customers to participate in conservation; and
30. (E) Progressing towards the transition to a SG.
31. (F) Smart Community Microgrid development - understanding grid benefits,
32. islanding and grid connected microgrid assets for added resiliency, EV
33. charging profiles and growth in the community, etc. The unique methods and
34. techniques required for system intelligence and analytics would result in a
35. considerable knowledge gain.
36. (G) Power Monitoring of the Smart Grid system for the grid effects of large
37. operations on the micro-grid

Section C – Additional project information

Who prepared the responses for Section B?

253	1 ☒ Employee directly involved in the project	254	Name [REDACTED]
255	1 ☐ Other employee of the company	256	Name
257	1 ☒ External consultant	258	Name Deloitte LLP
		259	Firm Deloitte LLP

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

260	Names	261	Qualifications/experience and position title
1	[REDACTED]		
2	[REDACTED]		
3	[REDACTED]		

265	Are you claiming any salary or wages for SR&ED performed outside Canada?	☐ Yes	☒ No
266	Are you claiming expenditures for SR&ED carried out on behalf of another party?	☐ Yes	☒ No
267	Are you claiming expenditures for SR&ED performed by people other than your employees?	☐ Yes	☒ No

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

268	Names of individuals or companies	269	BN
1			

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 ☒ Records of resources allocated to the project, time sheets	277	1 ☒ Test protocols, test data, analysis of test results, conclusions
272	1 ☐ 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 ☐ Contracts
275	1 ☐ Records of trial runs	281	1 ☒ Others, specify 282 E-mails

Part 2 – Project information (continued)

Project number **5**

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)

P5: Mobile Workforce Management System (MWFMS) design, dev

202 Project start date

2015-01

Year Month

204 Completion or expected completion date

2023-10

Year Month

206 Field of science or technology code
(See guide for list of codes)

2.02.01

Electrical and electronic engineering

Project claim history

208 1 ☒ 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 ☒ 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)

1. For a MWFMS (Mobile Workforce Management System) to be an effective tool for
2. VCI (now Ellexicon), it must be integrated with a diverse range of existing
3. tools and systems which include [REDACTED]
4. [REDACTED]
5. [REDACTED]
6. [REDACTED] among others. VCI was challenged to define processes encompassed by
7. these systems and where mobile computing could benefit them, and devise
8. methods of interfacing such systems and processes to meet the project's
9. objectives for VCI's MWFMS.
10. As per previous fiscal periods, the emphasis continued to be on the software
11. side of the MWFMS with a stated purpose of customizing existing available
12. commercial S/W tools to the maximum extent possible. The key obstacle that
13. VCI faced was resolving interface issues of candidate tools with its existing
14. suite of tools and systems.
15. Much effort was needed in a back-and-forth process with the CIS vendor to
16. integrate with their yet-in-development business layer to allow interfaces.
17. Once this interface was tested and complete, remaining workflows were
18. developed and piloted with the metering group, as well as iteratively refined
19. as per their requirements
20. Due to the pending merger, and the difficulty with interfacing with the CIS
21. vendor, work on the MWFM metering solution was paused. Small incremental
22. improvements were made, and investigation continued into hardware solutions
23. to accommodate unique workflows for field crews. Solutions were found, using
24. a partner, for large bucket trucks but there are still solutions being sought
25. for regular half-ton vehicles. FY2021 MWFM was largely focused on developing
26. interfacing system changes and consolidated of GIS.

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. Ellexicon continued to work with the CIS vendor to test/direct development of
2. a business layer with which to interact. This involved several iterative
3. development and test cycles. Once the business layer was completed to an
4. acceptable level, development of the meter install workflow continued and was
5. piloted, tested and iteratively improved with the end users.
6. In addition, there were some issues with the trouble call workflow. The
7. workflow was designed to infer the assets that were damaged and replaced
8. based on as little input as possible from field crews. There were some

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)

9. scenarios discovered where the software was incorrectly identifying assets
10. and so there was some significant re-engineering required to correct the
11. issues. Work continued to refine the accuracy and detail of the trouble
12. calls, enabling cleaner data that was subsequently used for more detailed
13. analytics on tree trimming activities. 2021 activities also included
14. continuing to modify existing MWFM workflows to work with the new
15. consolidated GIS model. Work to change system inspections and add new
16. workflows such as digitized trench inspections was also undertaken in 2021.
17. Development is now considered complete.

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. It is the capability to achieve increased back office & field resource
2. efficiencies through the development & implementation of enhanced
3. office/field communications using MWFMS. The objectives established for the
4. MWFMS were to:
5. (1) improve safe vehicle use and efficiency through a combination of software
6. & hardware;
7. (2) reduce or eliminate paper-based communication of in-field conditions to
8. in-office personnel;
9. (3) improve customer experience through faster response times & consistent,
10. effective service;
11. (4) provide easier access to enterprise-wide information & ensure data
12. accuracy to/from the field ;
13. (5) improve visibility into workforce & workload for tactical & strategic
14. decisions; and
15. (6) assure flexibility and scale-ability
16.
17. 2017 saw the expansion of the middleware and
18. the involved systems, as well as the design and development of new workflow
19. to capture trouble calls. In addition, a new was designed by a
20. vendor in cooperation with Veridian to accommodate a new workflow to capture
21. meter installations.
22. 2018 saw the improvement of the asset identification algorithms based on user
23. input as well as the refinement of the delivered by the vendor in
24. cooperation with VCI.
25. Ellexicon (VCI) continued
26. to advance the trouble call workflow to increase accuracy of the asset
27. identification algorithms.
28. 2020 and 2021 saw the modification of the existing systems to match the new
29. GIS consolidated data model and added digitized trench inspection
30. capabilities.

Section C – Additional project information

Who prepared the responses for Section B?

253	1 ☒ Employee directly involved in the project	254	Name	
255	1 ☐ Other employee of the company	256	Name	
257	1 ☒ External consultant	258	Name	259 Firm
			Deloitte LLP	Deloitte LLP

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

260	Names	261	Qualifications/experience and position title
1			
2			
3			

265	Are you claiming any salary or wages for SR&ED performed outside Canada?	☐ Yes	☒ No
266	Are you claiming expenditures for SR&ED carried out on behalf of another party?	☐ Yes	☒ No
267	Are you claiming expenditures for SR&ED performed by people other than your employees?	☐ Yes	☒ No

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

268	Names of individuals or companies	269	BN
1			

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 ☒ Records of resources allocated to the project, time sheets	277	1 ☒ Test protocols, test data, analysis of test results, conclusions
272	1 ☐ 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 ☐ Contracts
275	1 ☐ Records of trial runs	281	1 ☒ Others, specify 282 emails

Part 2 – Project information (continued)

Project number 6

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)

P6: Improved Engineering project Design/Analysis through Cus

202 Project start date

2012-09

Year Month

204 Completion or expected completion date

2022-02

Year Month

206 Field of science or technology code
(See guide for list of codes)

2.02.01

Electrical and electronic engineering

Project claim history

208 1 ☒ 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 ☒ 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)

1. For this project, we sought to improve our engineering standards and analysis
2. methods through the development and customization of various software tools.
3. A common problem when CAD software tools are being used to generate
4. engineering design drawings is the lack of a common methodology so that no
5. matter which designer prepares the drawings, all of the drawings released for
6. construction look the same, and use the same symbolism and conventions. The
7. problem exists in a single engineering office with multiple technical staff
8. creating drawings and tends to be much worse when multiple offices are
9. involved working on the same multi-disciplinary project.
10. The obstacles/uncertainties faced going in were:
11. - Understanding the criteria that should be adopted to rationalize and
12. standardize the existing practices used across the design staff in the
13. Engineering Department using the AutoCAD S/W tool for design development with
14. their individual approaches, practices, subroutines/macros and symbolism;
15. - whether or not the scope of the design work for the CAD
16. initiative/methodology would cover would include all aspects of the
17. Engineering Departments activities and not just the areas already using
18. AutoCAD;
19. - Developing and verifying the testing protocols that should be used to
20. verify the components of the new methodology (s) and to ensure application
21. consistency across all of its users.
22. - Understanding how to capture/characterize all of the design inputs and
23. allow the model to be updated through testing.
24. - For [REDACTED] - We anticipated a CSA ruling that would mean that linear
25. evaluation for guying analysis would no longer be acceptable. We needed to
26. develop an approach to be able to perform non-linear analysis under a wide
27. range of loading conditions.
28. In early FY21 and into FY22 we also intend on developing a e-JPF (electronic
29. job-planning folder) whereby we are transitioning from a paper-based workflow
30. to electronic, leveraging the available [REDACTED] - a pilot is planned
31. and we intend on it being fully operational in 2023. This is an internal
32. exercise with manpower costs only and no third party vendor/consultant is
33. involved.

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 this project, we worked on two distinct activities:

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)

2. The first project involved using AutoCAD to standardize existing engineering
3. practices, and this project continued from prior fiscal periods. A team had
4. been formed in previous fiscal periods, with representatives from different
5. areas to contribute their expertise to the definition and specification of
6. what the new methodology had to achieve, and what its outputs had to deliver.
7. Various sessions were held before the working documents were sufficiently
8. detailed and a customizing solution in AutoCAD format could be tested and
9. trialed. Development of an AutoCAD template continued through FY2018 and was
10. subsequently completed. Work included development of a custom layer
11. structure and line types, tool palette, legend file, and drawing templates,
12. as part of the new methodology. Ongoing development included modifying the
13. interface between the AutoCAD template and the GIS tools. A new initiative
14. between Standards and GIS to resolve the export/import between CAD and GIS
15. drawings was undertaken and development continues on a plugin or browser
16. upgrade. This work takes a different approach that may be more successful.
17. It's intended to be a working solution while a more feature rich product is
18. devised. Development and customization of software tools continues.
19. The second project involved working to develop a custom software package for
20. guying analysis. The goal was to develop a model where the physical
21. properties of pole-framing equipment could be incorporated into a client
22. file. Prior to this initiative starting, we had been doing linear analysis
23. in Excel. Our goal with the non-linear approach was to evaluate the pole-
24. loading as a whole. We develop a client-file that could be incorporated into
25. the software for testing. Work continued to involve looking at all equipment
26. related to pole-framing, and inputting strengths for that equipment. Framing
27. standards were introduced and developed. The CAD template, palette, and
28. blocks library were modified through revisions driven by user feedback and
29. requests from Engineering management. In the course of development we had
30. devised overhead and underground & overhead construction standards and
31. associated policies; transitioned to CAD certified interfaces; utilized [REDACTED]
[REDACTED] client file conversion to attempt to allow for dynamic non-linear guying
33. as required by CSA; continued to observed equipment failure and investigated
34. system modifications; ongoing development of in-house [REDACTED] to CAD export
35. tools and Inter-Utility Standards.
36. Other ongoing investigations and development continued on engineer design and
37. systems integration as we sought to improve our engineering standards and
38. analysis methods through the development and customization of various
39. software tools. In early FY21 we began exploring a e-JPF (electronic job-
40. planning folder) whereby we are transitioning from a paper-based workflow to
41. electronic, leveraging the available [REDACTED] - a pilot is planned in
42. FY22.

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. VCI (now Ellexicon) wanted to create, verify and validate a new methodology to
2. standardize the look and content of its digitally created engineering
3. drawings released for construction by either is internal line crews or
4. external line or specialist contractors. So it needed to acquire the
5. knowledge to do so. In addition, it wanted the new CAD tool, which would be
6. at the core of the new methodology, [REDACTED] so that the
7. preparation of W.O. packages could be made more efficient as well as more
8. consistent and understandable by the personnel who have to interpret the
9. drawings that these packages contain. As it did not have expertise in
10. developing solutions within AutoCAD, the tool it used for electrical drawing
11. production for infrastructure additions and modifications, Ellexicon
12. recognized at the outset that it would likely need to obtain assistance from
13. an external specialist contractor. Progress towards achieving these
14. advancements was incremental over multiple fiscal periods, and further work

15. would continue. In addition, Elexicon worked to develop a non-linear method
16. for guying analysis and load-modelling under a wide range of installation
17. conditions. Unique [REDACTED] concepts continue to be devised and tested with
18. further knowledge gained ([REDACTED] to CAD export tool concepts and Inter-
19. Utility Standards models). Knowledge from e-JPF development will be gained in
20. future fiscal periods.

Section C – Additional project information

Who prepared the responses for Section B?

253 1 ☒ Employee directly involved in the project

254 Name

255 1 ☐ Other employee of the company

256 Name

257 1 ☒ External consultant

258 Name

Deloitte LLP

259 Firm

Deloitte LLP

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

260 Names

261 Qualifications/experience and position title

1	[REDACTED]	[REDACTED]
2	[REDACTED]	[REDACTED]
3	[REDACTED]	[REDACTED]

265 Are you claiming any salary or wages for SR&ED performed outside Canada?

☐ Yes

☒ No

266 Are you claiming expenditures for SR&ED carried out on behalf of another party?

☐ Yes

☒ No

267 Are you claiming expenditures for SR&ED performed by people other than your employees?

☐ Yes

☒ No

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

268 Names of individuals or companies

269 BN

1

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

271 1 ☒ Records of resources allocated to the project, time sheets

272 1 ☐ 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 ☒ 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 ☒ Contracts

281 1 ☒ Others, specify **282** Emails

Federal Tax Instalments

Federal tax instalments

For the taxation year ended 2022-12-31

Business number

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
2022-01-31	43,904				43,904
2022-02-28	43,904				43,904
2022-03-31	43,904				43,904
2022-04-30	43,904				43,904
2022-05-31	43,904				43,904
2022-06-30	43,904				43,904
2022-07-31	43,904				43,904
2022-08-31	43,904				43,904
2022-09-30	43,904				43,904
2022-10-31	43,904				43,904
2022-11-30	43,904				43,904
2022-12-31	43,898				43,898
Instalment (COVID-19)					
Totals	526,842				526,842

Quarterly instalment workchart

Date	Quarterly tax instalments	Refund transferred to instalments	Instalments paid	Cumulative difference	Instalments payable
2022-03-31					
2022-06-30					
2022-09-30					
2022-12-31					
Instalment (COVID-19)					
Totals					

Instalment method

Indicate instalment method chosen [1-3] 1

1st Instalment base method

If payment of instalments other than quarterly instalments is delayed, indicate the MONTH in which you want them to begin (1=January, 2=February, etc.).

1

Select this box if you want the instalments to be calculated without taking the applicable threshold into account

☐

Quarterly instalments calculation

The corporation must meet requirements 1 to 5 to be eligible for quarterly instalments for a tax year.

1 – Is the corporation a Canadian-controlled private corporation (CCPC)?	☒ Yes	☐ No
2 – Did the corporation claim any deduction under the section 125, during either the current or previous year?	☐ Yes	☒ No
3 – Is the corporation's, or any of its associated corporations', taxable income for the current or previous year less than or equal to \$500,000?	☐ Yes	☐ No
4 – Is the corporation and any associated corporations' taxable capital employed in Canada for the current or previous year less than or equal to \$10,000,000?	☐ Yes	☐ No
5 – Does the corporation have a perfect compliance history in the last 12 months?	☐ Yes	☐ No

If you do not want to use the quarterly instalments option, select this box to go back to monthly instalments.

☐

1 – 1st Instalment base method

1st Instalment base amount (amount N below)	526,842 ÷ 12 =	43,904
	Monthly instalments required	43,904
Quarterly tax instalments required	526,842 ÷ 4 =	

2 – Combined 1st and 2nd instalment base method

Select this box if you want the first 2 payments* to be calculated without taking the applicable threshold into account?

☐

2nd Monthly instalment base amount

Indicate: Part I tax

Parts VI, VI.1 and XIII.1 tax	+	
Federal adjustment for amalgamation, winding up or transfer	+	
Provincial tax, other than Alberta, Québec and Ontario	+	
Ontario tax	+	298,928
Provincial adjustment for amalgamation, winding up or transfer	+	

Total = 298,928 ÷ 12 = **24,911 A**

1/12 of estimated current year credits (M below /12)

Each of the first two instalment payments = **24,553 B**

Total tax from N below	526,842	
Amount B above x 2	– 49,106	
	= 477,736 ÷ 10 =	47,774
	Each of the remaining ten instalment payments	47,774

2nd Quarterly instalment base amount

Indicate: Part I tax

Parts VI, VI.1 and XIII.1 tax	+	
Federal adjustment for amalgamation, winding up or transfer	+	
Provincial tax, other than Alberta, Québec and Ontario	+	
Ontario tax	+	298,928
Provincial adjustment for amalgamation, winding up or transfer	+	

Total = 298,928 ÷ 4 = **74,732 A**

1/4 of estimated current year credits (M below /4)

The first instalment payment = **1,074 B**

Total tax from N below	526,842	
Amount B above	–	
	= 526,842 ÷ 3 =	175,614
	Each of the remaining three instalment payments	

* It is the first payment if the quarterly instalments are applicable.

3 – Estimated tax method

Instalment base amount (amount N below)		÷ 12 =	
	Monthly instalments required		
Quarterly tax instalments required		÷ 4 =	

Instalment base calculation

Federal tax	1st instalment base method	Estimated tax method	
Taxable income			
Calculation of tax payable			
Federal part I tax			
Recapture of investment tax credit	+	+	
Refundable tax on a CCPC's investment income	+	+	
Subtotal	=	=	A
Deduction			
Small business deduction			
Investment corporation deduction	+	+	
Federal tax abatement	+	+	
Manufacturing and processing profits deduction	+	+	
Non-business foreign tax credit	+	+	
Business foreign tax credit	+	+	
General tax reduction	+	+	
Logging tax credit	+	+	
Investment tax credit per Schedule 31	+	+	
Eligible Canadian bank deduction	+	+	
Qualifying environmental trust tax credit	+	+	
Subtotal	=	=	B
Federal tax summary			
Total part I tax payable (A minus B)			C
Part VI tax	+	+	D
Part VI.1 tax	+	+	E1
Part XIII.1 tax	+	+	E2
Parts I, VI, VI.1 and XIII.1	Total	=	F
Federal adjustments			
Adjustment for short taxation years multiplied by 365 and divided by the number of days in the year if less than 365	x 365 / 365	x 365 / 365	
Subtotal	=	=	
Federal adjustment for amalgamation, winding up or transfer	+	+	N/A
Total federal tax after adjustments	=	=	G
Provincial tax			
Provincial/territorial tax other than Alberta, Québec and Ontario before provincial refundable tax credits	+	+	H
Ontario tax			
Income tax			
Corporate minimum tax paid (credited)	+		531,138
Special additional tax on life insurance corporations	+		
Total Ontario tax	=	+	531,138
Harmonized provincial tax (H + I)			
Provincial/territorial tax other than Alberta and Québec before provincial refundable tax credits	=	=	J

Instalment base calculation (continued)

Provincial adjustments

Adjustment for short taxation years multiplied by 365 and divided by the number of days in the year if less than 365

	x	<u>365 / 365</u>	x	<u>365 / 365</u>	
Subtotal	=	<u>531,138</u>	=		
Provincial adjustment for amalgamation, winding up or transfer	+		+	<u>N/A</u>	
Total provincial tax after adjustments	=	<u>531,138</u>	=		K
Total of tax before refundable credits**	=	<u>531,138</u>	=		L

Estimated current year credits

Investment tax credit refund					
Dividend refund	+		+		
Federal capital gains refund	+		+		
Provincial and territorial capital gains refund	+		+		
Tax withheld at source	+		+		
Canadian journalism labour tax credit	+		+		
Other estimated credits	+		+		
Provincial/territorial refundable tax credits other than Alberta, Québec and Ontario*	+		+		
Ontario refundable tax credits*	+	<u>4,296</u>	+		
Total estimated current year credits	=	<u>4,296</u>	=		M
Instalment base amount (L – M)		<u>526,842</u>			N

* For more details with regards to the impact of the refundable tax credits in the instalment base calculation, consult the Help.

** For instalments payable, the amount on line G will only be included in the amount of line L when it exceeds \$3,000. The same rule applies to line K.



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 [] [] []	
Corporation's name 002 Elexicon Energy Inc.	
Address of head office Has this address changed since the last time we were notified? 010 Yes ☐ No ☒ If yes , complete lines 011 to 018.	
011 55 Taunton Road East 012	
015 City Ajax	016 Province, territory, or state ON
017 Country (other than Canada)	018 Postal or ZIP code L1T 3V3
Mailing address (if different from head office address) Has this address changed since the last time we were notified? 020 Yes ☐ No ☒ If yes , complete lines 021 to 028.	
021 c/o 100 Taunton Road East 022 023	
025 City Whitby	026 Province, territory, or state ON
027 Country (other than Canada)	028 Postal or ZIP code L1N 5R8
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 ☒ If yes , complete lines 031 to 038.	
031 100 Taunton Road East 032	
035 City Whitby	036 Province, territory, or state ON
037 Country (other than Canada)	038 Postal or ZIP code L1N 5R8
040 Type of corporation at the end of the tax year (tick one) ☒ 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 2021-01-01	
Tax year-end Year Month Day 061 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 ☒ 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 ☒	
Is the corporation a professional corporation that is a member of a partnership? 067 Yes ☐ No ☒	
Is this the first year of filing after: Incorporation? 070 Yes ☐ No ☒ Amalgamation? 071 Yes ☐ No ☒ If yes , complete lines 030 to 038 and attach Schedule 24.	
Has there been a wind-up of a subsidiary under section 88 during the current tax year? 072 Yes ☐ No ☒ If yes , complete and attach Schedule 24.	
Is this the final tax year before amalgamation? 076 Yes ☐ No ☒	
Is this the final return up to dissolution? 078 Yes ☐ No ☒	
If an election was made under section 261, state the functional currency used 079	
Is the corporation a resident of Canada? 080 Yes ☒ No ☐ If no , give the country of residence on line 081 and complete and attach Schedule 97.	
081	
Is the non-resident corporation claiming an exemption under an income tax treaty? 082 Yes ☐ No ☒ If yes , complete and attach Schedule 91.	
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
098	

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 ☒	9
Is the corporation an associated CCPC?	160 ☒	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 ☒	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 ☒	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 ☐	7
Does the corporation have any property that is eligible for capital cost allowance?	208 ☒	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 ☒	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over \$10,000,000?	234 ☒	
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?	☐	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?	☐	T1135
Did the corporation transfer or loan property to a non-resident trust?	☐	T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	☐	T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	☐	T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	☐	T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	☐	T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	☒	55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	☐	T2002
Has the corporation revoked any previous election made under subsection 89(11)?	☐	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?	☐	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?	☐	54
Is the corporation claiming a return of fuel charge proceeds to farmers tax credit?	☐	63
Are you an employer reporting a non-qualified security agreement under subsection 110(1.9)?	☐	59
Is the corporation claiming an air quality improvement tax credit?	☐	65

Additional information

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	Yes	☒	No	☐
Is the corporation inactive?	280	Yes	☐	No	☒
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	Electric Power Distribution in Canada	285	100.000 %	
	286		287	%	
	288		289	%	
Did the corporation immigrate to Canada during the tax year?	291	Yes	☐	No	☒
Did the corporation emigrate from Canada during the tax year?	292	Yes	☐	No	☒
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 GIF	300	1,764,740	A
Deduct:			
Charitable donations from Schedule 2	311	887,889	
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	876,851	
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		1,764,740	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		
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	1,764,740	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:

- 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.
- 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 ***	709,798	D	=		E
			11,250				

Passive income business limit reduction

Adjusted aggregate investment income from Schedule 7****	417	–	50,000	=		F

Amount C	x	Amount F	=		G
		100,000			

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	M Income paid under clause 125(1)(a)(i)(B) to the corporation identified in column L ³	N Business limit assigned to corporation identified in column L ⁴
	490	500	505
1.			

Total 510 Total 515

Notes:

- 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
 - 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
 - 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
 - persons (other than the private corporation) with which the corporation deals at arm's length, or
 - 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.
- 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						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)					K x 30 2 / 3 %	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)	4,904,271	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")	4,904,271	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		
Federal tax abatement	608	J
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 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	
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) 526,842

Total tax payable **770** 526,842 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 840 550,000

Total credits **890** 550,000 B

Balance (amount A minus amount B) -23,158

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 23,158

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**

Certification

I, **950** Chan **951** Cynthia **954** Chief Financial Officer

Last name

First name

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 2022-06-30
Date (yyyy/mm/dd)

Signature of the authorized signing officer of the corporation

956 (905) 427-9870
Telephone number

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

958
Name of other authorized person

959 (905) 427-9870
Telephone number

Language of correspondence – Langue de correspondance

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

990 1



Form identifier 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIF1

Corporation's name	Business number	Tax year end Year Month Day
Ellexicon Energy Inc.		2021-12-31

Balance sheet information

Account	Description	GIFI	Current year	Prior year
Assets				
	Total current assets	1599 +	94,785,355	88,875,082
	Total tangible capital assets	2008 +	634,648,188	566,375,117
	Total accumulated amortization of tangible capital assets	2009 –	124,055,103	105,444,333
	Total intangible capital assets	2178 +	87,918,366	85,540,305
	Total accumulated amortization of intangible capital assets	2179 –	16,228,945	13,790,300
	Total long-term assets	2589 +	39,165,035	26,912,147
	* Assets held in trust	2590 +		
	Total assets (mandatory field)	2599 =	<u>716,232,896</u>	<u>648,468,018</u>
Liabilities				
	Total current liabilities	3139 +	85,053,769	85,887,551
	Total long-term liabilities	3450 +	401,887,859	339,512,095
	* Subordinated debt	3460 +		
	* Amounts held in trust	3470 +		
	Total liabilities (mandatory field)	3499 =	<u>486,941,628</u>	<u>425,399,646</u>
Shareholder equity				
	Total shareholder equity (mandatory field)	3620 +	<u>229,291,268</u>	<u>223,068,372</u>
	Total liabilities and shareholder equity	3640 =	<u>716,232,896</u>	<u>648,468,018</u>
Retained earnings				
	Retained earnings/deficit – end (mandatory field)	3849 =	<u>53,861,035</u>	<u>48,188,516</u>

* Generic item



Form identifier 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Corporation's name	Business number	Tax year-end Year Month Day
Ellexicon Energy Inc.		2021-12-31

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 +	496,806,903	551,934,496
Cost of sales	8518 -	414,874,335	472,647,888
Gross profit/loss	8519 =	81,932,568	79,286,608
Cost of sales	8518 +	414,874,335	472,647,888
Total operating expenses	9367 +	71,223,439	70,089,676
Total expenses (mandatory field)	9368 =	486,097,774	542,737,564
Total revenue (mandatory field)	8299 +	505,219,180	554,792,403
Total expenses (mandatory field)	9368 -	486,097,774	542,737,564
Net non-farming income	9369 =	19,121,406	12,054,839

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 =	19,121,406	12,054,839

Total – other comprehensive income	9998 =	550,377	-983,435

Extraordinary items and income (linked to Schedule 140)

Extraordinary item(s)	9975 -		
Legal settlements	9976 -		
Unrealized gains/losses	9980 +		
Unusual items	9985 -		
Current income taxes	9990 -	372,734	353,032
Future (deferred) income tax provision	9995 -	282,403	-956,940
Total – Other comprehensive income	9998 +	550,377	-983,435
Net income/loss after taxes and extraordinary items (mandatory field)	9999 =	19,016,646	11,675,312



Notes Checklist

Corporation's name Ellexicon Energy Inc.	Business number [REDACTED]	Tax Year End Year Month Day 2021-12-31

- 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 ☒ 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 ☒ No ☐

Is that person connected* with the corporation? **097** Yes ☐ No ☒

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	.....	☒	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 ☒

Part 4 – Other information

Were notes to the financial statements prepared? **101** Yes ☐ No ☒

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

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

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

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

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

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

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.

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 ☐ 1
- Prepared the information return and the financial information contained therein ☐ 2

SCHEDULE 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIF1

Form identifier 100

Name of corporation	Business Number	Tax year-end Year Month Day
Ellexicon Energy Inc.		2021-12-31

Assets – lines 1000 to 2599

1000	4,711,881	1060	86,846,088	1061	-5,412,762
1064	680,791	1120	6,036,534	1483	37,023
1484	1,885,800	1599	94,785,355	1900	634,648,188
1901	-124,055,103	2008	634,648,188	2009	-124,055,103
2010	23,569,875	2011	-16,228,945	2012	64,348,491
2178	87,918,366	2179	-16,228,945	2420	39,165,035
2589	39,165,035	2599	716,232,896		

Liabilities – lines 2600 to 3499

2620	61,194,471	2770	2,610,315	2920	1,682,237
2960	19,566,746	3139	85,053,769	3140	268,288,418
3220	105,350,800	3240	12,898,714	3320	15,349,927
3450	401,887,859	3499	486,941,628		

Shareholder equity – lines 3500 to 3640

3500	98,796,044	3541	77,871,812	3580	-1,237,623
3600	53,861,035	3620	229,291,268	3640	716,232,896

Retained earnings – lines 3660 to 3849

3660	48,188,516	3680	18,466,269	3700	-12,793,750
3849	53,861,035				

SCHEDULE 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIF

Form identifier 125

Name of corporation	Business Number	Tax year-end Year Month Day
Ellexicon Energy Inc.		2021-12-31

Description

Sequence number **0003** 01

Other comprehensive income – lines 7000 to 7020

7002 550,377

Revenue – lines 8000 to 8299

8000 496,806,903	8089 496,806,903	8100 172,098
8210 49,240	8230 8,190,939	8299 505,219,180

Cost of sales – lines 8300 to 8519

8320 414,874,335	8518 414,874,335	8519 81,932,568

Operating expenses – lines 8520 to 9369

8522 468,680	8523 21,550	8670 18,496,958
8710 6,226,093	9270 46,010,158	9367 71,223,439
9368 486,097,774	9369 19,121,406	

Extraordinary items and taxes – lines 9970 to 9999

9970 19,121,406	9990 372,734	9995 282,403
9998 550,377	9999 19,016,646	



Canada Revenue Agency
Agence du revenu du Canada

Net Income (Loss) for Income Tax Purposes

Schedule 1

Corporation's name Ellexicon Energy Inc.	Business number [REDACTED]	Tax year-end Year Month Day 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 **19,016,646** A

Add:

Provision for income taxes – current	101	372,734
Provision for income taxes – deferred	102	282,403
Amortization of tangible assets	104	18,496,958
Charitable donations and gifts from Schedule 2	112	468,680
Scientific research expenditures deducted per financial statements	118	757,829
Non-deductible club dues and fees	120	6,701
Non-deductible meals and entertainment expenses	121	10,775
Reserves from financial statements – balance at the end of the year	126	10,781,225
Subtotal of additions		31,177,305 ▶ 31,177,305

Add:

Other additions:

1 Description 605	2 Amount 295		
1 OITC/ORDTC/BCRDTC/ABRDTC/ABIEG from prior year 12(1)(x) ITA	18,467		
2 Vehicle amortization	614,084		
3 12(1)(x) CIAC	15,664,640		
4 Regulatory assets - decrease	717,725		
5 Deferred revenue - IESO	5,177		
6 Sick leave cost capitalized for acctg.	30,084		
7 Co-op education credit 2020 sch550 part#4	2,880		
8 Other amortization	35,922		
9 Interest on leased assets	52,838		
Total of column 2	17,141,817 ▶ 296	17,141,817	
Subtotal of other additions	199	17,141,817 ▶	17,141,817 D
Total additions	500	48,319,122 ▶	48,319,122

Amount A plus line 500 **67,335,768** B

Deduct:

Gain on disposal of assets per financial statements	401	49,240
Capital cost allowance from Schedule 8	403	31,251,905
SR&ED expenditures claimed in the year on line 460 from Form T661	411	1,255,414
Reserves from financial statements – balance at the beginning of the year	414	11,186,612
Subtotal of deductions		43,743,171 ▶ 43,743,171

Deduct:

Non-taxable/deductible other comprehensive income items	347	550,377

Other deductions:

1 Description 705	2 Amount 395
1 13(7.4) election CIAC	15,664,640

	1 Description 705	2 Amount 395			
2	Deferred revenue - AFT	30,750			
3	Pension contribution capitalized for accounting	977,461			
4	Unrealized gain on interest rate swap	2,963,297			
5	Borrowing costs capitalized	722,154			
6	Intangible assets capitalized for accounting	263,141			
7	Proceeds on sales recorded for accounting	134,542			
8	Lease payments on leased assets	356,994			
9	POEB capitalized for accounting	164,501			
	Total of column 2	21,277,480	▶	396	21,277,480
		Subtotal of other deductions	▶	499	21,827,857
					21,827,857 E
		Total deductions	▶	510	65,571,028
					65,571,028
					1,764,740 C
	Net income (loss) for income tax purposes (amount B minus line 510)				
	Enter amount C on line 300 of the T2 return.				



Charitable Donations and Gifts

Corporation's name	Business number	Tax year-end Year Month Day
Ellexicon Energy Inc.		2021-12-31

- 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)
Available upon request	423,718
	Subtotal 423,718
Add: Total donations of less than \$100 each	
Total donations in current tax year	
	423,718

Part 1 – Charitable donations

	Federal	Québec	Alberta
Charitable donations at the end of the previous tax year	464,171 1A	464,171	464,171
Charitable donations expired after five tax years*	239		
Charitable donations at the beginning of the current tax year (amount 1A minus line 239)	464,171	464,171	464,171
Charitable donations transferred on an amalgamation or the wind-up of a subsidiary	250		
Total charitable donations made in the current year	423,718	423,718	423,718
(include this amount on line 112 of Schedule 1, Net Income (Loss) for Income Tax Purposes)			
Subtotal (line 250 plus line 210)	423,718 1B	423,718	423,718
Subtotal (line 240 plus amount 1B)	887,889 1C	887,889	887,889
Adjustment for an acquisition of control	255		
Total charitable donations available (amount 1C minus line 255)	887,889 1D	887,889	887,889
Amount applied in the current year against taxable income (cannot be more than amount 2H in Part 2)	260	887,889	887,889
(enter this amount on line 311 of the T2 return)			
Charitable donations closing balance (amount 1D 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, 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
1 st prior year	2020-12-31	378,452	378,452	378,452
2 nd prior year	2019-12-31	85,719	85,719	85,719
3 rd prior year				
4 th prior year				
5 th prior year				
6 th prior year*				
7 th prior year				
8 th prior year				
9 th prior year				
10 th prior year				
11 th prior year				
12 th prior year				
13 th prior year				
14 th prior year				
15 th prior year				
16 th prior year				
17 th prior year				
18 th prior year				
19 th prior year				
20 th prior year				
21 st prior year*				
Total (to line A)		464,171	464,171	464,171

* 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 %		1,323,555	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)		1,323,555	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)		887,889	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	410		
(include this amount on line 112 of Schedule 1)			
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	460		
(enter this amount on line 313 of the T2 return)			
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
1 st prior year	<u>2020-12-31</u>		
2 nd prior year	<u>2019-12-31</u>		
3 rd prior year			
4 th prior year			
5 th prior year			
6 th prior year*			
7 th prior year			
8 th prior year			
9 th prior year			
10 th prior year			
11 th prior year			
12 th prior year			
13 th prior year			
14 th prior year			
15 th prior year			
16 th prior year			
17 th prior year			
18 th prior year			
19 th prior year			
20 th prior year			
21 st 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	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
1 st prior year	2020-12-31		
2 nd prior year	2019-12-31		
3 rd prior year			
4 th prior year			
5 th prior year			
6 th prior year*			
7 th prior year			
8 th prior year			
9 th prior year			
10 th prior year			
11 th prior year*			
12 th prior year			
13 th prior year			
14 th prior year			
15 th prior year			
16 th prior year			
17 th prior year			
18 th prior year			
19 th prior year			
20 th prior year			
21 st 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	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 $\left(\frac{b}{c} \right)$ = Additional deduction for gifts of medicine made before March 22, 2017 610			
Québec			
a _____ x $\left(\frac{b}{c} \right)$ = Additional deduction for gifts of medicine made before March 22, 2017			
Alberta			
a _____ x $\left(\frac{b}{c} \right)$ = 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)			
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 660			
(enter this amount on line 315 of the T2 return)			
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
1 st prior year	2020-12-31			
2 nd prior year	2019-12-31			
3 rd prior year				
4 th prior year				
5 th prior year				
6 th prior year*				
7 th prior year				
8 th prior year				
9 th prior year				
10 th prior year				
11 th prior year				
12 th prior year				
13 th prior year				
14 th prior year				
15 th prior year				
16 th prior year				
17 th prior year				
18 th prior year				
19 th prior year				
20 th prior year				
21 st 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
1 st prior year		2020-12-31	
2 nd prior year		2019-12-31	
3 rd prior year			
4 th prior year			
5 th prior year			
6 th prior year*			
7 th prior year			
8 th prior year			
9 th prior year			
10 th prior year			
11 th prior year			
12 th prior year			
13 th prior year			
14 th prior year			
15 th prior year			
16 th prior year			
17 th prior year			
18 th prior year			
19 th prior year			
20 th prior year			
21 st prior year*			
Total			

* These gifts expired in the current year.



Dividends Received, Taxable Dividends Paid, and Part IV Tax Calculation

Corporation's name Ellexicon Energy Inc.	Business number 200 205 210	Tax year-end Year Month Day 2021-12-31

- 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, I, L.1 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)	A1	B Enter 1 if payer corporation is connected	C Business number of connected corporation	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	E Non-taxable dividends under section 83
1	200		205	210	220	230
			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) ^{note 1} 240	F1	G Eligible dividends included in column F 242	H Total taxable dividends paid by connected payer corporation (for tax year in column D) 250
1				
	I Dividend refund of the connected payer corporation (for tax year in column D) ^{note 2} 260	I.1 Dividend refund of the connected payer corporation from its eligible refundable dividend tax on hand (ERDTH) (for tax year in column D) ^{notes 2 and 5} 265	J Part IV tax for eligible dividends. Dividends (from column G) multiplied by 38 1/3% ^{note 3} 275	K Part IV tax before deductions. Dividends (from column F) multiplied by 38 1/3% ^{note 4} 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. For column L, you only have to estimate the payer's dividend refund from its eligible refundable dividend tax on hand (ERDTH) (column I.1).

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 taxable dividends received from connected corporations (with a tax year starting after 2018), Part IV tax on dividends is equal to: total of amounts CC and II of the connected payer corporation (on page 7 of the T2 return) divided by column H multiplied by column F. If there is no dividend refund (or estimated dividend refund) to the connected payer corporation from its ERDTH for paying the taxable dividends, enter "0" in column L.

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 (ERDTH) 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)		
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 (ERDTH) at the end of the tax year.		
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 eligible 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	M Business number	N Tax year-end of recipient corporation in which the dividends in column O were received YYYYMMDD	O Taxable dividends paid to recipient corporations with which you are connected	P Eligible dividends included in column O
	400	410	420	430	440
1	Elexicon Corporation		2021-12-31	12,793,750	
				12,793,750	
				(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	12,793,750
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	12,793,750
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)		4,904,271 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)		12,793,750
Other dividends paid in the tax year (total of 510 to 540)		
Total dividends paid in the tax year	500	12,793,750
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)		12,793,750 4B



Corporation Loss Continuity and Application

Corporation's name	Business number	Tax year-end Year Month Day
Ellexicon Energy Inc.		2021-12-31

- 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 federal 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 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 federal Income Tax Act.

Part 1 – Non-capital losses

Determination of current-year non-capital loss

Net income (loss) for income tax purposes	1,764,740	1A
Net capital losses deducted in the year (enter as a positive amount)		1B
Taxable dividends deductible under section 112 or subsections 113(1) or 138(6)		1C
Amount of Part VI.1 tax deductible under paragraph 110(1)(k)		1D
Amount deductible as prospector's and grubstaker's shares – Paragraph 110(1)(d.2)		1E
Employer deduction for non-qualified securities – Paragraph 110(1)(e)		1F
Subtotal (total of amounts 1B to 1F)		1G
Subtotal (amount 1A minus amount 1G; if positive, enter "0")		1H
Section 110.5 or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions		1I
Subtotal (amount 1H minus amount 1I)		1J
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)		1K
Current-year non-capital loss (amount 1J plus amount 1K; if positive, enter "0")		1L
If amount 1L 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	969,303	1M
Non-capital loss expired (note 1)	100	
Non-capital losses at the beginning of the tax year (amount 1M minus line 100)	969,303	
Non-capital losses transferred on an amalgamation or on the wind-up of a subsidiary (note 2) corporation	105	
Current-year non-capital loss (from amount 1L)	110	
Subtotal (line 105 plus line 110)		1N
Subtotal (line 102 plus amount 1N)	969,303	1O

Note 1: A non-capital loss expires after **20 tax years** and an allowable business investment loss becomes a net capital loss after **10 tax years**.

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)

Other adjustments (includes adjustments for an acquisition of control)	150	
Section 80 – Adjustments for forgiven amounts	140	
Subsection 111(10) – Adjustments for fuel tax rebate		
Non-capital losses of previous tax years applied in the current tax year	130	876,851
Enter line 130 on line 331 of the T2 return.		
Current and previous years non-capital losses applied against current-year taxable dividends subject to Part IV tax (note 3)	135	
Subtotal (total of lines 150, 140, 130 and 135)		876,851 ▶ 876,851 1P
Non-capital losses before any request for a carryback (amount 1O minus amount 1P)		92,452 1Q

Request to carry back non-capital loss to:

First previous tax year to reduce taxable income	901	
Second previous tax year to reduce taxable income	902	
Third previous tax year to reduce taxable income	903	
First previous tax year to reduce taxable dividends subject to Part IV tax	911	
Second previous tax year to reduce taxable dividends subject to Part IV tax	912	
Third previous tax year to reduce taxable dividends subject to Part IV tax	913	
Total of requests to carry back non-capital losses to previous tax years (total of lines 901 to 913)		▶ 1R
Closing balance of non-capital losses to be carried forward to future tax years (amount 1Q minus amount 1R)	180	92,452

Note 3: Line 135 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	
Capital losses transferred on an amalgamation or on the wind-up of a subsidiary corporation	205	
Subtotal (line 200 plus line 205)		▶ 2A
Other adjustments (includes adjustments for an acquisition of control)	250	
Section 80 – Adjustments for forgiven amounts	240	
Subtotal (line 250 plus line 240)		▶ 2B
Subtotal (amount 2A minus amount 2B)		2C
Current-year capital loss (from the calculation on Schedule 6, Summary of Dispositions of Capital Property)	210	
Unused non-capital losses from the 11th previous tax year (note 4)		2D
Allowable business investment losses (ABILs) that expired as non-capital losses at the end of the previous tax year (note 5)		2E
Enter amount 2D or 2E, whichever is less	215	
ABILs expired as non-capital losses: line 215 multiplied by 2.000000		220
Subtotal (amount 2C plus line 210 plus line 220)		2F

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.

Note 4: Determine the amount of the non-capital loss from the **11th previous tax year**, and enter the part of the non-capital loss that was not deducted in the **previous 11 years**.

Note 5: Enter the amount of the ABILs from the **11th previous tax year**. Enter the full amount on amount 2E.

Part 2 – Capital losses (continued)

Capital losses from previous tax years applied against the current-year net capital gain (note 6)	225	
Capital losses before any request for a carryback (amount 2F minus line 225)		2G
Request to carry back capital loss to (note 7):		
	Capital gain (100%)	Amount carried back (100%)
First previous tax year	951	
Second previous tax year	952	
Third previous tax year	953	
Subtotal (total of lines 951 to 953)		2H
Closing balance of capital losses to be carried forward to future tax years (amount 2G minus amount 2H) (note 8)	280	

Note 6: To get the net capital losses required to reduce the taxable capital gain included in the net income (loss) for the current tax year, 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.

Note 8: Capital losses can be carried forward indefinitely.

Part 3 – Farm losses

Continuity of farm losses and request for a carryback

Farm losses at the end of the previous tax year		3A
Farm loss expired (note 9)	300	
Farm losses at the beginning of the tax year (amount 3A minus line 300)	302	
Farm losses transferred on an amalgamation or on the wind-up of a subsidiary corporation	305	
Current-year farm loss (amount 1K in Part 1)	310	
Subtotal (line 305 plus line 310)		3B
Subtotal (line 302 plus amount 3B)		3C
Other adjustments (includes adjustments for an acquisition of control)	350	
Section 80 – Adjustments for forgiven amounts	340	
Farm losses of previous tax years applied in the current tax year	330	
Enter line 330 on line 334 of the T2 Return.		
Current and previous years farm losses applied against current-year taxable dividends subject to Part IV tax (note 10)	335	
Subtotal (total of lines 350, 340, 330 and 335)		3D
Farm losses before any request for a carryback (amount 3C minus amount 3D)		3E

Request to carry back farm loss to:

First previous tax year to reduce taxable income	921	
Second previous tax year to reduce taxable income	922	
Third previous tax year to reduce taxable income	923	
First previous tax year to reduce taxable dividends subject to Part IV tax	931	
Second previous tax year to reduce taxable dividends subject to Part IV tax	932	
Third previous tax year to reduce taxable dividends subject to Part IV tax	933	
Subtotal (total of lines 921 to 933)		3F
Closing balance of farm losses to be carried forward to future tax years (amount 3E minus amount 3F)	380	

Note 9: A farm loss expires after **20 tax years**.

Note 10: Line 335 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	
(line 485 _____ – \$2,500) divided by 2	4A	
Amount 4A or \$ 15,000, whichever is less	4B	
	2,500	4C
Subtotal (amount 4B plus amount 4C)	2,500	4D
Current-year restricted farm loss (line 485 minus amount 4D)		4E

Continuity of restricted farm losses and request for a carryback

Restricted farm losses at the end of the previous tax year	4F	
Restricted farm loss expired (note 11)	400	
Restricted farm losses at the beginning of the tax year (amount 4F minus line 400)	402	
Restricted farm losses transferred on an amalgamation or on the wind-up of a subsidiary corporation	405	
Current-year restricted farm loss (from amount 4E)	410	
Enter line 410 on line 233 of Schedule 1, Net Income (Loss) for Income Tax Purposes.		
Subtotal (line 405 plus line 410)		4G
Subtotal (line 402 plus amount 4G)		4H

Restricted farm losses from previous tax years applied against current farming income	430	
Enter line 430 on line 333 of the T2 return.		
Section 80 – Adjustments for forgiven amounts	440	
Other adjustments	450	
Subtotal (total of lines 430 to 450)		4I
Restricted farm losses before any request for a carryback (amount 4H minus amount 4I)		4J

Request to carry back restricted farm loss to:

First previous tax year to reduce farming income	941	
Second previous tax year to reduce farming income	942	
Third previous tax year to reduce farming income	943	
Subtotal (total of lines 941 to 943)		4K
Closing balance of restricted farm losses to be carried forward to future tax years (amount 4J minus amount 4K)	480	

Note

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

Note 11: A restricted farm loss expires after **20 tax years**.



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	5A
Listed personal property loss expired (note 12)	500
Listed personal property losses at the beginning of the tax year (amount 5A minus line 500)	502
Current-year listed personal property loss (from Schedule 6)	510
Subtotal (line 502 plus line 510)	5B
Listed personal property losses from previous tax years applied against listed personal property gains	530
Enter line 530 on line 655 of Schedule 6.	
Other adjustments	550
Subtotal (line 530 plus line 550)	5C
Listed personal property losses remaining before any request for a carryback (amount 5B minus amount 5C)	5D

Request to carry back listed personal property loss to:

First previous tax year to reduce listed personal property gains	961
Second previous tax year to reduce listed personal property gains	962
Third previous tax year to reduce listed personal property gains	963
Subtotal (total of lines 961 to 963)	5E
Closing balance of listed personal property losses to be carried forward to future tax years (amount 5D minus amount 5E)	580

Note 12: A listed personal property loss expires after **7 tax years**.

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), tick 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 2020-12-31		N/A		N/A			
2nd preceding taxation year 2019-12-31	969,303	N/A		N/A	876,851		92,452
3rd preceding taxation year		N/A		N/A			
4th preceding taxation year		N/A		N/A			
5th preceding taxation year		N/A		N/A			
6th preceding taxation year		N/A		N/A			
7th preceding taxation year		N/A		N/A			
8th preceding taxation year		N/A		N/A			
9th preceding taxation year		N/A		N/A			
10th preceding taxation year		N/A		N/A			
11th preceding taxation year		N/A		N/A			
12th preceding taxation year		N/A		N/A			
13th preceding taxation year		N/A		N/A			
14th preceding taxation year		N/A		N/A			
15th preceding taxation year		N/A		N/A			
16th preceding taxation year		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	969,303				876,851		92,452

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



Canada Revenue
Agency

Agence du revenu
du Canada

Tax Calculation Supplementary – Corporations

Schedule 5

Corporation's name	Business Number	Tax year-end Year Month Day
Ellexicon Energy Inc.		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	B	C	D	E	F
Jurisdiction. Tick yes if your corporation had a permanent establishment in the jurisdiction during the tax year Note 1	Total salaries and wages paid in jurisdiction	(B x taxable income) / G	Gross revenue attributable to jurisdiction	(D x taxable income) / H	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	103		143		
Newfoundland and Labrador Offshore	104		144		
Prince Edward Island	105		145		
Nova Scotia	107		147		
Nova Scotia Offshore	108		148		
New Brunswick	109		149		
Quebec	111		151		
Ontario	113		153		
Manitoba	115		155		
Saskatchewan	117		157		
Alberta	119		159		
British Columbia	121		161		
Yukon	123		163		
Northwest Territories	125		165		
Nunavut	126		166		
Outside Canada	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	531,138	
Ontario special additional tax on life insurance corporations (from Schedule 512)	280		
Subtotal (line 278 plus line 280)		531,138	5H
Total Ontario tax payable before refundable tax credits (amount 5G plus amount 5H)		531,138	5I
Ontario qualifying environmental trust tax credit	450		
Ontario co-operative education tax credit (from Schedule 550)	452	4,296	
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)		4,296	5J
Net Ontario tax payable or refundable tax credit (amount 5I minus amount 5J)	290	526,842	

(if a credit, enter amount in brackets) Include this amount on line 255.

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 255 526,842

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.

Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
Elexicon Energy Inc.		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 ☒

1 Class number See note 1	Description	2 Undepreciated capital cost (UCC) at the beginning of the year	3 Cost of acquisitions during the year (new property must be available for use) See note 2	4 Cost of acquisitions from column 3 that are accelerated investment incentive properties (AIIP) or zero-emission vehicle (ZEV) See note 3	5 Adjustments and transfers See note 4	6 Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition See note 5	7 Amount from column 5 that is repaid during the year for a property, subsequent to its disposition See note 6	8 Proceeds of dispositions See note 7	9 UCC (column 2 plus column 3 plus or minus column 5 minus column 8) See note 8
200		201	203	225	205	221	222	207	
1.	1	Trans/dist before Feb 22/05	103,419,334					0	103,419,334
2.	1b	Building - Office	9,750,182	709,571	709,571			0	10,459,753
3.	2	GEN & DISTR < 1988	4,113,629					0	4,113,629
4.	8	Equipment	5,625,073	828,746	828,746			0	6,453,819
5.	10	Vehicles/Computer equipmet	2,319,207	1,478,719	1,478,719			49,240	3,748,686
6.	10.1	Vehicles#285 2008 ford escape	402					N/A	402
7.	10.1	Vehicles#284 2008 ford escape	403					N/A	403
8.	10.1	Vehicles#250 2009 silverado hybrid	584					N/A	584
9.	10.1	Vehicles#302 2009 ford escape	834					N/A	834
10.	12	Software		2,270,712	2,270,712			0	2,270,712
11.	13	Leasehold	92,186					0	92,186
12.	17	Yard improvements	226,020					0	226,020
13.	42	Fibre optics	1,685					0	1,685
14.	45	Computers>22-03-04<19-03-07	245					0	245
15.	47	Trans/dist acquired after Feb 22/05	183,976,084	32,447,474	32,447,474			134,542	216,289,016
16.	50	Computer Hardware and Systems	509,367	1,984,025	1,984,025			0	2,493,392
17.	43.2	Clean energy generation	9,268					0	9,268
18.	14.1	Eligible Capital Property	5,505,986	3,841,402	3,841,402			0	9,347,388
19.	95	WIP no depreciation taken	24,071,908			3,018,945		0	27,090,853
Totals		339,622,397	43,560,649	43,560,649	3,018,945			183,782	386,018,209

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, 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 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 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 and 12 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 UCC (column 9). 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 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)
- 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 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, unless certain conditions are met
- 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.

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
Ellexicon Energy Inc.		2021-12-31

- 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.	Ellexicon Corporation			1					
2.	Ellexicon Group Inc.			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	Employee Future Liability	10,102,812			316,904	9,785,908
2	Sick Leave Liability	1,083,800			88,483	995,317
	Reserves from Part 2 of Schedule 13					
	Totals	11,186,612			405,387	10,781,225

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.



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:

- Associated for purposes of allocating the business limit (unless association code 5 applies)
- 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
- Non-CCPC that is a **third corporation**
- Associated non-CCPC
- 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 2021
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	2 Business number of associated corporations	3 Association code	4 Business limit for the year before the allocation \$	5 Percentage of the business limit %	6 Business limit allocated* \$
	100	200	300		350	400
1	Ellexicon Energy Inc.		1	500,000		
2	Ellexicon Corporation		1	500,000	100.0000	500,000
3	Ellexicon Group Inc.		1	500,000	100.0000	500,000
	Total				200.0000	1,000,000

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 $0.225\% \times (C - \$10,000,000)$. 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.



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

	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	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 Ellexicon Energy Inc.	Business number [REDACTED]	Tax year-end Year Month Day 2021-12-31

Part 2 – Determination of a qualifying corporation

Is the corporation a qualifying corporation? **101** Yes ☐ 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:

- one or more persons exempt from Part I tax under section 149
- Her Majesty in right of a province, a Canadian municipality, or any other public authority
- 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 ☒

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					H1
Enter at amount a in Part 5.					

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)	1,601,055	
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)*	1,601,055	350 1,601,055
Repayments made in the year (from line 560 on Form T661)		370
Total qualified SR&ED expenditures (line 350 plus line 370)		380 1,601,055

* 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 ☒ 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 = 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	1,601,055	x	15 %	= 240,158 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) 240,158 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		369,977	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	369,977	
Credit transferred on an amalgamation or the wind-up of a subsidiary	530		
Total current-year credit (from amount L2 in Part 11)	540	240,158	
Credit allocated from a partnership	550		
Subtotal (total of lines 530 to 550)			240,158 O2
Total credit available (line 520 plus amount O2)		610,135	P2
Credit deducted from Part I tax	560		
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)			Q2
Credit balance before refund (amount P2 minus amount Q2)		610,135	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	610,135	



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** Yes ☐ 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) 610,135 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	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)	Amount from column 700 or 710, whichever is less
700	710	
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	B	C	D	E	F
Rate that the transferee used in determining its ITC for qualified expenditures under a subsection 127(13) agreement	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	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.)	Amount determined by the formula $(A \times B) - C$	ITC earned by the transferee for the qualified expenditures that were transferred	Amount from column D or E, whichever is less
720	730	740		750	
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)	.....	F3

Enter at amount A8 in Part 27.

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)	B Name of eligible trade	C Eligible salary and wages*	D Column C x 10 %	E Lesser of column D or \$ 2,000
601	602	603	604	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	4,000	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	4,000
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)		4,000 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	4,000

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 must 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	Description of investment	Date available for use	Amount of investment
665	675	685	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				Credit to be applied	943	
Total of lines 941 to 943						K6
Enter at amount i in Part 24.						

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) **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) **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)

240,158

Applied
current year
(B)

Claimed
as a refund
(C)

Carried back
(D)

ITC end
of year
(A-B-C-D)

240,158

Prior years

Taxation year

ITC beginning
of year
(E)

Adjustments
(F)

Applied
current year
(G)

ITC end
of year
(E-F-G)

2020-12-31

268,004

268,004

2019-12-31

101,973

101,973

—

—

Total

369,977

369,977

$$B+C+D+G$$

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.

Summary of Investment Tax Credit Carryovers

Continuity of investment tax credit carryovers

CCA class number 97 Apprenticeship job creation 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)
2020-12-31		4,000			4,000
2019-12-31					
					*
					*
Total		4,000			4,000

$$B+C+D+G$$

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.



Taxable Capital Employed in Canada – Large Corporations

Corporation's name	Business number	Tax year-end Year Month Day
Ellexicon Energy Inc.		2021-12-31

- 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	
Capital stock (or members' contributions if incorporated without share capital)	103	98,796,044
Retained earnings	104	53,861,035
Contributed surplus	105	77,871,812
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)		230,528,891 ▶ 230,528,891 A

Note:

Line 112 is determined by the formula $(A - B) \times C/D$ (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
- those lines applied to partnerships in the same manner that they apply to corporations, and
 - those amounts were computed without reference to amounts owing by the partnership
 - to any corporation that held a membership interest in the partnership either directly or indirectly through another partnership, or
 - 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) 230,528,891 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** 230,528,891

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) 230,528,891 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** 230,528,891

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)	230,528,891	x	Taxable income earned in Canada	610		1,000	=	Taxable capital employed in Canada	690	230,528,891
						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.

Shareholder Information

Corporation's name	Business number	Tax year-end Year Month Day
Elexicon Energy Inc.	[Redacted]	2021-12-31

- 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)	Business number or partnership account number (9 digits, 2 letters, and 4 digits. If not registered, enter "NR")	Social insurance number (9 digits)	Trust number (T followed by 8 digits)	Percentage common shares	Percentage preferred shares
	100	200	300	350	400	500
1	Elexicon Corporation	[Redacted]			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						



Canada Revenue
Agency

Agence du revenu
du Canada

Schedule 55

Part III.1 Tax on Excessive Eligible Dividend Designations

Corporation's name	Business number	Tax year-end Year Month Day
Ellexicon Energy Inc.	██████████	2021-12-31

- 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.

Do not use this area

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	.....	12,793,750
Total taxable dividends paid in the tax year	.....	100 12,793,750
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
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.



Ontario Research and Development Tax Credit

Corporation's name Ellexicon Energy Inc.	Business number [REDACTED]	Tax year-end Year Month Day 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

Total eligible expenditures incurred by the corporation in Ontario in the tax year	100	1,659,124	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")		1,659,124	C
Eligible expenditures transferred to the corporation by another corporation	110		D
Subtotal (amount C plus amount D)		1,659,124	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	1,659,124	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	x	4.5 %	=	%	1
Number of days in the tax year	241					
Number of days in the tax year after May 31, 2016	242	x	3.5 %	=	%	2
Number of days in the tax year	243					

Subtotal (percentage 1 plus percentage 2) % 3

Repayments for a tax year that ends on or after June 1, 2016 and includes May 31, 2016 211 x percentage 3 % = 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	=	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	x	4.5 %	=	%	4			
Number of days in the tax year								
Number of days in the tax year after May 31, 2016	x	3.5 %	=	%	5			
Number of days in the tax year								
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)	.....	1,659,124	x	3.5 %	=	202	58,069	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					58,069	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 105,896 Y

ORDTC expired after 20 tax years 300 Z

ORDTC at the beginning of the tax year (amount Y minus amount Z) 305 105,896 AA

ORDTC transferred to the corporation on amalgamation or windup 310 BB

Current part of ORDTC 58,069 CC

(amount P, T or X in Part 3 whichever applies)

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) 58,069 ▶ 58,069 EE

ORDTC available for deduction (total of amounts AA, BB and EE) 163,965 ▶ 163,965 FF

ORDTC claimed ** GG
(Enter amount GG on line 416 on page 5 of Schedule 5, *Tax Calculation Supplementary – Corporations*)

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) 325 163,965 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			
1 st previous tax year	2020-12-31			.....	Credit to be applied	901
2 nd previous tax year	2019-12-31			.....	Credit to be applied	902
3 rd previous tax year				.....	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.

[illegible]

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 ORDTTC 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	LL	MM
	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	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)	Amount from column 700 or 710, whichever is less
	700	710	
1.			

Total of column MM (enter at amount WW in Part 8) _____

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	PP	QQ
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	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	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)
720	730	740
1.		

RR	SS	TT
Amount determined by the formula (OO x PP) - QQ (using the columns above)	Federal ITC earned by the transferee for the qualified expenditure that was transferred	Amount from column RR or SS, whichever is less
	750	
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		<u>1,297,977</u>
Add		
• payment of prior years' unpaid expenses (other than salary or wages)	+	
• prescribed proxy amount (Enter "0" if you use the traditional method)	+	<u>443,037</u>
• other additions	+	
Subtotal	=	<u>1,741,014</u>
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	-	<u>81,890</u>
• 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	=	<u>1,659,124</u> I

Enter amount I on line 100 of Schedule 508.



Ontario Corporate Minimum Tax

Corporation's name	Business number	Tax year-end Year Month Day
Ellexicon Energy Inc.		2021-12-31

- 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	716,232,896
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	119,280,619
Total assets (total of lines 112 to 116)		835,513,515
Total revenue of the corporation for the tax year **	142	505,219,180
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	16,675,998
Total revenue (total of lines 142 to 146)		521,895,178

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	19,016,646
Add (to the extent reflected in income/loss):				
Provision for current income taxes/cost of current income taxes	220	372,734		
Provision for deferred income taxes (debits)/cost of future income taxes	222	282,403		
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	655,137		655,137 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	382			
383	384			
385	386			
387	388			
389	390			
	Subtotal			B
Adjusted net income/loss for CMT purposes (line 210 plus amount A minus amount B)			490	19,671,783

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 GIF1 (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** 19,671,783

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** 19,671,783

Amount from line 520 19,671,783 x $\frac{\text{Number of days in the tax year before July 1, 2010}}{\text{Number of days in the tax year}}$ 365 x 4 % = 1

Amount from line 520 19,671,783 x $\frac{\text{Number of days in the tax year after June 30, 2010}}{\text{Number of days in the tax year}}$ 365 x 2.7 % = 531,138 2

Subtotal (amount 1 **plus** amount 2) 531,138 3

Gross CMT: amount on line 3 above x OAF ** **540** 531,138

Deduct:

Foreign tax credit for CMT purposes *** **550**

CMT after foreign tax credit deduction (line 540 **minus** line 550) (if negative, enter "0") 531,138 D

Deduct:

Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)

Net CMT payable (if negative, enter "0") 531,138 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 *	500,391	G
Deduct:		
CMT credit expired *	600	
CMT credit carryforward at the beginning of the current tax year * (see note below)	500,391	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)	500,391	H
Deduct:		
CMT credit deducted in the current tax year (amount P from Part 5)		I
Subtotal (amount H minus amount I)	500,391	J
Add:		
Net CMT payable (amount E from Part 3)	531,138	
SAT payable (amount O from Part 6 of Schedule 512)		
Subtotal	531,138	K
CMT credit carryforward at the end of the tax year (amount J plus amount K)	670	1,031,529

* 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)	500,391	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)	531,138	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:	531,138	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)	4,296	
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) S

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.



**ONTARIO CORPORATE MINIMUM TAX – TOTAL ASSETS
AND REVENUE FOR ASSOCIATED CORPORATIONS**

Name of corporation	Business Number	Tax year-end Year Month Day
Ellexicon Energy Inc.		2021-12-31

- 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	Business number (Canadian corporation only) (see Note 1)	Total assets* (see Note 2)	Total revenue** (see Note 2)
	200	300	400	500
1	Ellexicon Corporation		115,065,468	14,363,737
2	Ellexicon Group Inc.		4,215,151	2,312,261
		450		550
	Total		119,280,619	16,675,998

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.



ONTARIO CO-OPERATIVE EDUCATION TAX CREDIT

Name of corporation	Business Number	Tax year-end Year Month Day
Ellexicon Energy Inc.		2021-12-31

- 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
	(905) 427-9870

Is the claim filed for a CETC earned through a partnership? **150** 1 Yes ☐ 2 No ☒

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 ☒ 2 No ☐

2. Was the corporation exempt from tax under Part III of the *Taxation Act, 2007* (Ontario)? **210** 1 Yes ☐ 2 No ☒

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** 24,584,000

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:

$$\text{Eligible percentage} = 15\% - \left[5\% \times \left(\frac{\text{amount on line 300} - \$400,000}{\$200,000} \right) \right]$$

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:

$$\text{Eligible percentage} = 30\% - \left[5\% \times \left(\frac{\text{amount on line 300} - \$400,000}{\$200,000} \right) \right]$$

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		B Name of qualifying co-operative education program
400		405
1.		Powerline Technician
2.		Powerline Technician
3.		Powerline Technician

C Name of student	D Start date of WP (see note 1 below)	E End date of WP (see note 2 below)
410	430	435
1.		

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)		F2 Eligible expenditures after March 26, 2009 (see note 1 below)		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)
	450		452			
1.		10.000 %		25.000 %		17
2.		10.000 %		25.000 %		11
3.		10.000 %		25.000 %		16

	G Eligible amount (eligible expenditures multiplied by eligible percentage) (see note 2 below)	H Maximum CETC per WP (see note 3 below)	I CETC on eligible expenditures (column G or H, whichever is less)	J CETC on repayment of government assistance (see note 4 below)	K CETC for each WP (column I or column J)
	460	462	470	480	490
1.		3,000			
2.		3,000			
3.		3,000			

Ontario co-operative education tax credit (total of amounts in column K) **500** **4,296 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:

$(\$1,000 \times X/Y) + [\$3,000 \times (Y - X)/Y]$

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 Ellexicon Energy Inc.																
Taxation Year 2021-01-01 to 2021-12-31																
Jurisdiction Ontario																
BC	AB	SK	MB	ON	QC	NB	NS	NO	PE	NL	XO	YT	NT	NU	OC	
☐	☐	☐	☐	☒	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	
Corporation is associated Y																
Corporation is related Y																
Number of associated corporations 2																
Type of corporation Canadian-Controlled Private Corporation																
Total amount due (refund) federal and provincial* -23,158																

* The amounts displayed on lines "Total amount due (refund) federal and provincial" are all listed in the help. Press F1 to consult the context-sensitive help.

Summary of federal information

Net income	1,764,740
Taxable income	
Donations	423,718
Calculation of income from an active business carried on in Canada	1,764,740
Dividends paid	12,793,750
Dividends paid – Regular	12,793,750
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	
Balance of the general rate income pool at the end of the year	
Part I tax (base amount)	
Credits against Part I tax	Summary of tax
Small business deduction	Part I
M&P deduction	Part IV
Foreign tax credit	Part III.1
Investment tax credits	Other*
Abatement/Other*	Provincial or territorial tax 526,842
	Refunds/credits
	ITC refund
	Dividends refund:
	– Eligible dividends
	– Non-eligible dividends
	Instalments 550,000
	Other*
	Balance due/refund (–) -23,158

* 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	
Investment tax credits	614,135
Non-capital losses	92,452
Financial statement reserve	10,781,225

Summary of provincial information – provincial income tax payable

	Ontario	Québec (CO-17)	Alberta (AT1)
Net income	1,764,740		
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***	531,138		
Instalments and refundable credits	4,296		
Balance due/Refund (-)	526,842		

Logging tax payable (COZ-1179)

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

Ontario research and development tax credit – Schedule 508	163,965
Corporate minimum tax credit that can be carried forward over 20 years – Schedule 510	1,031,529

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
Ellexicon Energy Inc.	224,856,372	224,856,372	230,528,891	230,528,891
Ellexicon Corporation	96,856,858	96,856,858	97,162,650	97,162,650
Ellexicon Group Inc.	3,752,738	3,752,738	3,296,355	3,296,355
Total	325,465,968	325,465,968	330,987,896	330,987,896

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 Forms CO-1029.8.33.CS and 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)
Ellexicon Energy Inc.	223,068,372
Ellexicon Corporation	
Ellexicon Group Inc.	
Total	223,068,372

Alberta

Corporate name	Taxable capital used to calculate the Alberta innovation employment grant (Schedule A29)
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

	Current year	1st prior year	2nd prior year	3rd prior year	4th prior year
Federal information (T2)					
Taxation year end	2021-12-31	2020-12-31	2019-12-31		
Net income	1,764,740	30,314	-212,338		
Taxable income					
Active business income	1,764,740	30,314			
Dividends paid	12,793,750	9,869,812	6,936,558		
Dividends paid – Regular	12,793,750	9,869,812	6,936,558		
Dividends paid – Eligible					
LRIP – end of the previous year					
LRIP – end of the year					
GRIP – end of the previous year					
GRIP – end of the year					
Donations	423,718	378,452	108,455		
Balance due/refund (-)	-23,158	-103,952	-220,314		
Line 996 – Amended tax return	☐	☐	☐	☐	☐
Loss carrybacks requested in prior years to reduce taxable income					
Taxation year end	2021-12-31	2020-12-31	2019-12-31		
Taxable income before loss carrybacks	N/A	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 loss carried back to prior years	N/A	N/A			
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	2021-12-31	2020-12-31	2019-12-31		
Adjusted taxable income before current year loss carrybacks*	N/A				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				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	2021-12-31	2020-12-31	2019-12-31		
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	2021-12-31	2020-12-31	2019-12-31		
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	2021-12-31	2020-12-31	2019-12-31		
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-sensitive help.

Credits against Part I tax

Taxation year end	2021-12-31	2020-12-31	2019-12-31		
Small business deduction					
M&P deduction					
Foreign tax credit					
Investment tax credit					
Abatement/other*					

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.

Refunds/credits

Taxation year end	2021-12-31	2020-12-31	2019-12-31		
ITC refund			67,982		
Dividend refund					
– Eligible dividends					
– Non-eligible dividends					
Instalments	550,000	400,000	350,000		
Other*					

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.



Ontario

Taxation year end	2021-12-31	2020-12-31	2019-12-31		
Net income	1,764,740	30,314	-212,338		
Taxable income					
% Allocation	100.00	100.00	100.00		
Attributed taxable income					
Surtax					
Income tax payable before deduction					
Income tax deductions /credits					
Net income tax payable					
Taxable capital					
Capital tax payable					
Total tax payable*	531,138	298,928	201,463		
Instalments and refundable credits	4,296	2,880	3,795		
Balance due/refund**	526,842	296,048	197,668		

* 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.

Attached Notes – Summary

☐ Name of the cell Intangible capital assets – GIF I code 2010 – Intangible assets Form Sch. 2178 & 2179 - Intangible capital assets and accumulated i
FA Continuity

asharma - 2022-06-06

Keep this note when rolling forward the file ☐

☐ Name of the cell GIF I code 2011 – Accumulated amortization of intangible asset Form Sch. 2178 & 2179 - Intangible capital assets and accumulated i
FA Continuity

asharma - 2022-06-06

Keep this note when rolling forward the file ☐

☐ Name of the cell Attached schedule – Amount Form Schedule - Attached schedule with total
FA Continuity

asharma - 2022-06-06

Keep this note when rolling forward the file ☐

☐ Name of the cell Attached schedule – Amount Form Schedule - Attached schedule with total
FA Continuity

asharma - 2022-06-06

Keep this note when rolling forward the file ☐

☐ Name of the cell GIF I code 8670 – Amount – Amortization of tangible assets Form Sch. 9367 - Operating expenses
T2S1

asharma - 2022-06-06

Keep this note when rolling forward the file ☐

☐ Name of the cell Corporation's salaries and wages paid in the previous tax year Form ON Sch. 550 - Co-operative education tax credit

FS note 21

asharma - 2022-06-09

Keep this note when rolling forward the file ☐



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 Ellexicon Energy Inc.	Enter one of the following: Business number (BN) Social insurance number (SIN)	
Tax year From 2022-01-01 to 2022-12-31 Year Month Day Year Month Day		
050 Total number of projects you are claiming this tax year: 6		
100 Contact person for the financial information [REDACTED]	105 Telephone number/extension (905) 427-9870	110 Fax number (905) 668-6598
115 Contact person for the technical information [REDACTED]	120 Telephone number/extension (905) 427-9870	125 Fax number (905) 668-6598

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.																		
<table><tr><td>153 Names of the partners</td><td>156 %</td><td>157 BN or SIN</td></tr><tr><td>1</td><td></td><td></td></tr><tr><td>2</td><td></td><td></td></tr><tr><td>3</td><td></td><td></td></tr><tr><td>4</td><td></td><td></td></tr><tr><td>5</td><td></td><td></td></tr></table>	153 Names of the partners	156 %	157 BN or SIN	1			2			3			4			5		
153 Names of the partners	156 %	157 BN or SIN																
1																		
2																		
3																		
4																		
5																		

Part 2 - Project information

CRA internal form identifier 060

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

Code 1901

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 ☒ 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)

• 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	+	1,323,703
b) Specified employees for work performed in Canada	305	+	
Subtotal (add lines 300 and 305)	306	=	1,323,703
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	+	531,114
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	=	1,854,817

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)

Amount from line 380	420		1,854,817
Deduct			
• provincial government assistance for expenditures included on line 380	429	–	61,201
• 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	–	
• sale of SR&ED capital assets and other deductions	440	–	
Subtotal (line 420 minus lines 429 to 440)	442	=	1,793,616
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	=	1,793,616
• Deduction claimed in the year (Corporations should enter this amount on line 411 of schedule T2SCH1)	460	–	1,793,616
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		1,854,817
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	+	672,169
• qualified expenditures transferred to you (see note 3) (complete Form T1146**)	508	+	
Subtotal (add lines 492 to 508)	511	=	2,526,986
Deduct			
• provincial government assistance	513	–	84,727
• 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	–	106,223
• 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	=	2,336,036
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	=	2,336,036

* 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** + 1,323,703

Deduct

Bonuses, remuneration based on profits, and taxable benefits that were included on line 810 **812** – 101,578

Subtotal (line 810 minus 812) **814** = 1,222,125

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** = 1,222,125

Section B – Prescribed proxy amount (PPA)

Enter 55 % of the salary base (line 818) **820** = 672,169

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	Cost of materials in the tax year	Contract expenditures for SR&ED performed on your behalf in the tax year	Overhead and other expenditures in the tax year*
	(Total of lines 306 to 309)	(Total of lines 320 and 325)	(Total of lines 340 and 345)	(total of line 360, if applicable)
1 P1: Distribution system automation	312,777			
2 P2: Operations Information Systems improvements	358,690			
3 P3: System planning & analysis for improvements to the distr	239,917		484,894	
4 P4: Developing and applying Smart Grid (SG) concepts, techni	249,604		33,350	
5 P5: Mobile Workforce Management System (MWFMS) design, devel	56,501			
6 P6: Improved Engineering project Design/Analysis through Cus	106,214		12,870	
Total	1,323,703		531,114	

Part 7 – Additional information

Expenditures for SR&ED performed by you in Canada (line 380 minus lines 307, 309, 340, 345, and 370) **605** 1,323,703

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** ☒ Experimental development

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

Scientists and engineers	632	11
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 ☒
2. entered the method you have chosen for reporting your SR&ED expenditures in Section A of Part 3 ☒
3. completed Part 2 for each project ☒
4. filed a completed Schedule T2SCH31 or Form T2038(IND) to claim ITCs on your qualified SR&ED expenditures ☒
5. filed a completed Form T1145*, T1146**, T1174*** and/or T1263**** including any required attachments, if applicable ☒

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 ☒
2. filed the appropriate provincial and/or territorial tax credit forms, if applicable ☒
3. retained documents to support the SR&ED work performed and SR&ED expenditures you claimed ☒
4. checked boxes 231 and 232 on page 2 of your T2 return to indicate attachment of Form T661 and Schedule T2SCH31 ☒

* 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?

- ☒ 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. Under separate cover by Deloitte LLP					
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, Cynthia Chan, 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 2023-06-29
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 Cynthia Chan		170 2023-06-29
Name of authorized signing officer of the corporation, or individual	Signature	Date
175		
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

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)

P1: Distribution system automation

202 Project start date

2015-05

Year Month

204 Completion or expected completion date

2024-12

Year Month

206 Field of science or technology code
(See guide for list of codes)

2.02.01

Electrical and electronic engineering

Project claim history

208 ☒ 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 ☒ 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)

1. The obstacles to be resolved were all connected with completing the
2. installation of the balance of the 5 U/G switches, testing them individually
3. and then networking, and integrating their operations/communications within
4. Ellexicon's SCADA system. As the items involved were all new to Ellexicon and
5. had to be installed on, within or adjacent to the existing facilities,
6. physical limitations and accessibility issues were constraints in practically
7. every case. More specifically the obstacles were:
8. (1) Determining, for the U/G switch installations yet to be finished, the
9. site specific design modifications to the base design used for the first
10. partially completed installation, taking into consideration, as needed,
11. locational and surrounding terrain constraints, potential foundation redesign
12. for below grade installation, possible provision of a foundation for the low
13. voltage control unit to be located above grade, and adding both drainage and
14. sump pumping capability to deal with anticipated water incursions.
15. (2) Understanding why any installed U/G switch unit malfunctions and
16. developing solutions to eliminate any re-occurrence.
17. (3) Integrating all U/G switches and the O/H switches with the SCADA system
18. with intelligence that control the operation of the U/G units and O/H
19. switches, with reliable, fail-safe communications.
20. (4) Deciding what spare parts and modules should be provided to support the
21. pilot after it goes live.
22. (5) Conceiving and planning how the DAS pilot would be brought into service
23. after the balance of the 18 switches were installed, and their operation
24. verified on a standalone basis.
25. (6) Establishing what monitoring and reporting was required to establish the
26. reliability performance improvements that were actually achieved its
27. operation.
28. While Ellexicon was used to operating switches remotely through its SCADA
29. system tool, it would be a new mode of network operations for local automated
30. switch operation to be performed on its own without any centralized
31. intelligence or SCADA intervention. Radio survey and placement of Radios and
32. RTU were essential part of the project to attempt to meet the SCADA
33. communication requirement. However communication to SCADA was a challenge due
34. to obstructions and an alternate solution was sought. In 2019 a further
35. expansion of 3 networked switches in Whitby and work required to determine
36. how to integrate them into the merged SCADA system and ensure reliable

T661 E (20)

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

37. communications. In FY2020 there was an additional 5 O/H automated switches
38. installed in Whitby in 2020. Work required to integrate them and communicate
39. reliably with them. In FY2021, four additional automated switches were
40. installed in Whitby, three additional switches (Ajax, Bowmanville, Port Hope)
41. were installed, two additional switches in Belleville. Work would be
42. required to integrate and communicate with them in a reliable and repeatable
43. manner. In addition to ongoing development challenges, In FY2022, 20 new
44. devices were installed across all Ellexicon districts along with communication
45. access points to attempt to enable reliable communications - Energizing and
46. testing is planned for 2023.

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. Previously, now Ellexicon had made detailed installation designs for the set
2. of automated intelligent O/H switches and U/G switches and their installation
3. & testing on a standalone basis. Ellexicon had also designed & implemented
4. the IT infrastructure arrangements and radio communication system using a
5. separate IP network, after deciding how to route information from O/H switch
6. to U/G switchgear and vice versa, and on communications with the SCADA system
7. master. Software was upgraded and tested under various system loading
8. scenarios. Ellexicon has continued work for the firmware upgrade.
9. Communication upgrades and testing of the field devices to meet the software
10. and self-healing system requirements was undertaken. Ellexicon is continuing
11. the process of creating new standard operating procedures line and the system
12. control centre; with a specific focus on in-fault and post-fault analysis.
13. SOP's continued to be developed to encompass all Districts. Development
14. continued with devising methods for improvement to bottlenecks in radio
15. communication between field devices and the SCADA master.
16.
17. DAS pilot efforts continued. However, component replacements were necessary
18. to move to the next stage in which the DA pilot would be capable of running
19. on its own and opening and closing switches based upon distribution network
20. grid events. Testing on a standalone switch basis continued to verify
21. communications linkages with the SCADA system. This work had led to a
22. decision to replace a below grade switchgear with a pad mounted switchgear at
23. grade. Efforts towards conducting the DA pilot to go live continued without
24. this unit in place. New pad mounted switch gear unit was installed and we
25. continued to attempt to develop a self-healing system configuration. However,
26. the gear is now integrated into SCADA and radio surveys continue to be
27. undertaken as part of Whitby design.
28. Throughout the development period, we worked on SCADA programming for the
29. self-healing system, so that if there is a power-loss, then the switch will
30. identify there is a power loss, and the power will re-route automatically.
31. We also continued working on the SMART portion of this pilot trial all year.
32. The system went live for testing in earlier fiscal periods, and while it
33. appeared to work well; the self-healing switches had required additional
34. development. Reprogrammed the self-healing team using most updated
35. technology to achieve better functionalities. This upgrade allows Ellexicon
36. engineers to remotely control and reconfigure/ reroute the system devices
37. without going in to the field. This work is now considered complete. While
38. the primary development work is now considered complete there have been
39. observed failures with incremental development activity ongoing
40. We continued working on the SMART portion of the pilot trial. We further
41. continued with ongoing reprogramming activities based on system changes, as a
42. part of continuous improvement where the feedback from the prior trial
43. results acted as an input for subsequent improvement.
44. To track the improvements and the benefits of the changes (due to
45. reprogramming); we performed the required testing's using simulation

T661 E (20)

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)
46.	software. Testing continued on the functionality of Automatic Restoration
47.	System and approved by Ellexicon. Failures were noted, modifications made and
48.	testing repeated. The self-healing system continued to be revised to attempt
49.	to accommodate newly installed switches and a future extension of the scope
50.	of functionality. This work is now considered complete with periodic re-
51.	examination conducted as failures periodically occur.
52.	Other work included adding radio repeaters and revising switch antenna
53.	heights to attempt to avoid communication losses of SCADA. A radio survey was
54.	subsequently conducted with some modifications. Revisions to procedures
55.	and standards will remain ongoing. Further analysis was conducted and
56.	completed for radio traffic concerns in specific regions with some minor
57.	improvement activities underway.

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 advancement sought was to increase the understanding and the application
2.	know-how; to implement distribution automation system (DAS) concepts with
3.	intelligent switches to improve reliability performance in an area whose
4.	performance was continuing to deteriorate. Ellexicon wanted to use groups
5.	of switches, incorporating automatic sensing and operation, to sense/isolate
6.	faults, and then restore power to unaffected parts of the local network.
7.	Ellexicon had examined the issues, challenges and obstacles associated with a
8.	DAS pilot for the 13.8kV O/H lines and U/G cables on the 4-feeders. Its
9.	analysis indicated an improvement potential to go to 24.4 minutes from 72.3
10.	minutes/customer/year. Other notable achievements included: S&C self-healing
11.	system - firmware upgrade, reprogramming SCADA redundancy and back up control
12.	room as well as mobile SCADA control room. In FY2020 further advancements
13.	were achieved with [REDACTED] software and system self-configurable based
14.	solutions; The ability to accommodate future addition of the switches in the
15.	self-healing system; the knowledge of repeater locations, orientations and
16.	configurations; and improvement methodologies to attempt to achieve greater
17.	reliability of communication paths.

Section C – Additional project information

Who prepared the responses for Section B?

253	☒ Employee directly involved in the project	254	Name	[REDACTED]
255	☐ Other employee of the company	256	Name	
257	☒ External consultant	258	Name	Deloitte LLP
		259	Firm	Deloitte LLP

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

260	Names	261	Qualifications/experience and position title
1	[REDACTED]		[REDACTED]
2	[REDACTED]		[REDACTED]
3	[REDACTED]		[REDACTED]

265	Are you claiming any salary or wages for SR&ED performed outside Canada?	☐ Yes	☒ No
266	Are you claiming expenditures for SR&ED carried out on behalf of another party?	☐ Yes	☒ No
267	Are you claiming expenditures for SR&ED performed by people other than your employees?	☐ Yes	☒ No

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

268	Names of individuals or companies	269	BN
1			

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

Part 2 – Project information (continued)

Project number 2

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)			
P2: Operations Information Systems improvements			
202 Project start date	204 Completion or expected completion date	206 Field of science or technology code (See guide for list of codes)	
2015-01 Year Month	2024-08 Year Month	2.02.01	Electrical and electronic engineering
Project claim history			
208	☒ 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 ☒ 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)
1.	Interfacing the OMS tool to various other systems, was still a concern. The
2.	OMS/GIS interface still needed to be verified from additional testing and
3.	experimentation continued with improvements in customer communication by
4.	interfacing with social media, phone systems and email systems. The
5.	improvement contribution from using an Enterprise Service Bus (ESB) and
6.	whether one was worth implementing was a continuing uncertainty that would
7.	not be resolved until a solution was completed and the next interface
8.	initiated. Progress continued on enhancement of the GIS to improve
9.	performance, as well as to create operating geo-schematics directly from the
10.	GIS. This would add greater uncertainty in understanding how to interface two
11.	distinctly different GIS systems from two different vendors and in
12.	manipulating schematic engines into providing the desired result. In
13.	addition, paper mapping processes in the system control centre were very
14.	inefficient and no industry solution could be found to eliminate these paper
15.	maps altogether.
16.	In previous periods updates to existing applications were required, [REDACTED]
	[REDACTED] and various other
18.	enhancements. The DMB (Digital Map Board) application provided some unique
19.	challenges in requiring maps at different scales and pixel density to be
20.	displayed on a single continuous interface. Ellexicon attempted to overcome
21.	many of these challenges by caching at various resolutions, reconfiguring
22.	schematics, and devising software tools to attempt to allow for quick high
23.	quality zooming, leading to the conversion of almost all distribution level
24.	maps. However, there are still some challenges with regards to operating
25.	level maps. The pixel density of the hardware itself has become an issue.
26.	Ellexicon has tried multiple hardware configurations in an attempt to resolve
27.	this, so far with no success. In FY19, work continued on attempting to
28.	optimize map services. Specifically, a new caching scheme was devised for
29.	incremental caching such that the entire map is cached into bitmaps and
30.	served to consumers (similar to web mapping applications), but then changes
31.	were incrementally cached on demand when detected. While still in
32.	development, this new mechanism, along with the new vector caching function
33.	introduced by Esri has been very promising. There are still issues to
34.	overcome such as how to cache layers incompatible with vector caching such as
35.	annotations. There is currently no known industry solution for this problem
36.	when using a hybrid GIS system such as Ellexicon is using. In FY20, we saw the

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

37. disruption of the normal flow of activities due to the merger between
38. Ellexicon and Whitby Hydro, as well as the pandemic declaration. The year was
39. spent in a combination of two distinct efforts: accommodating the change in
40. normal workflows due to the lockdowns and accommodating the change in work
41. procedures following the consolidation of systems such as the GIS and OMS. In
42. FY2021 many of the challenges persisted and were amplified by Ellexicon's move
43. from a single control room to three, and required ongoing experimentation
44. with digitizing previous workflow models. These challenges continued into
45. FY2022 and with the intricacies involved to maintain the DMB, we identified
46. system sustainability constraints and began exploring alternative concepts to
47. provide the system control centre with an operating map.

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. Though development continued on the existing GIS viewer and new features were
2. added, because Microsoft has ended support of its [REDACTED] browser plugin
3. (on which the GIS viewer was build) it was decided that the application would
4. be re-written as a windows 10 universal application, whose code can also be
5. used in conjunction with [REDACTED] to deploy to IOS and Android in the future.
6. Development on this began in a previous fiscal period with the plan to be
7. deployed in later fiscal periods. The deployment of the application was
8. delayed, in part due to performance issues of several aspects of the
9. application. However, several trials were conducted with the underlying GIS
10. software to improve performance - this work would be extended with testing of
11. the new GIS viewer capability.
12. Because of a pending merger and because of a major set of breaking API
13. changes from a vendor, progress on the new GIS application was paused in
14. previous fiscal periods, however some development was required to keep the
15. aging [REDACTED] application functional such as [REDACTED]
16. [REDACTED] and adding support for vector tiles. Because the GIS
17. vendor [REDACTED] behind the application has been deprecated by the
18. vendor, these features had to be manually ported back to the application by
19. Ellexicon. In FY2022, the [REDACTED] expired and to limit
20. operational impact, Ellexicon developed a unique workaround concept that
21. required users to modify settings as we continued to develop the GIS Viewer -
22. however deployment continues to be delayed.
23. Enhancements to the schematics solution included adding the ability to have
24. multiple schematic diagrams for a single area to accommodate different
25. switching maps. This involved engineering and use of undocumented features in
26. the Esri Schematics schema. This work continued into 2018 with the addition
27. of a new custom built and designed app to replace the paper maps in the
28. system control centre with a 'digital map board', with deployment and field
29. testing. Migration of existing schematics was continued through 2019, with
30. the porting of a switching map (44kV Ajax Pickering switching map), which
31. presented several new problems due to the difference in scaling and the
32. geographic overlap with the existing distribution maps. Again this work will
33. be resumed post merger. In 2020, the existing schematics had to be migrated
34. over to suite the new GIS data model that was the product of the GIS
35. consolidation project. 2021 saw the continuation of this work extended to
36. 27.6kV maps, 13.8kV maps and 44kV maps, now merged with Whitby data. In
37. FY2022, schematics continued to be updated as incremental changes were
38. identified.
39. The first version of the Digital Map Board was successfully launched and work
40. continued to enhance and expand its use. Almost all distribution-level paper
41. maps were ported to the new system and work begun on migrating switching maps
42. as well, though new challenges arose from that work as described above. A new
43. version to the digital map board was developed and brought [REDACTED]
44. [REDACTED] the GIS data and the digital map board, enabling 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)

45. digital map board to [REDACTED]. Extensive ADMS
46. Work was undertaken in FY2021. In FY2022, ADMS Phase 1 - Outage Management
47. System (OMS) went into service. However, [REDACTED]
[REDACTED] the
49. system was not operationalized, the resolution was identified through a
50. version upgrade and will continue to be tested in FY2023. Ellexicon began
51. discovery on ADMS Phase 2 - Distribution Management System (DMS) to
52. understand the data and telemetry requirements needed to run engineering
53. analysis such as load flow. This will continue into 2023.
54. CYME development - Following the GIS consolidation, the existing tools used
55. to export to CYME were no longer compatible with the new data model. In an
56. attempt to create a reusable export from the GIS, Ellexicon began to test a
57. solution that would export the GIS data to a CIM-compliant model, which could
58. be then imported by the CYME software. After multiple iterations and some
59. development effort, it was found that the Common Information Model (CIM) was
60. not standardized or well documented enough to be imported successfully by
61. CYME. This effort was subsequently abandoned, and the CYME gateway was
62. instead updated in 2021 to conform to the new data model. In FY2022, final
63. gateway modifications were made, and the concept considered operational.
64. The GIS consolidation was a major initiative in 2020 where Ellexicon studied
65. each of the former utilities' data models, and developed a new, future-
66. friendly GIS data model to Ellexicon Energy. The migration of the existing
67. data from the two legacy systems was then catalogued, cleaned and mapped to
68. the new data model in a scripted execution that was iteratively performed,
69. tested and refined over the FY2020 and extended into FY2021. All interfaces
70. to the various systems (with the exception of CYME) were also rewritten (eg.
71. Interfaces to Clevest). In FY2022, this consolidated data model is
72. operational. Ellexicon began the discovery to consolidate the two hybrid
73. GIS systems to one. This was delayed and will continue in FY2023.
74. Digitized movement forms - In addition to the highlighted activities,
75. development was started on a new digital movement form application to allow
76. asset information to be collected by field crews on mobile devices (iPhone).
77. This application was built in house in order to allow the future
78. implementation of advanced functions such as using machine vision to read
79. nameplate information. The first phase of application was undertaken in 2021
80. with advanced functionality, such as machine vision, to follow in subsequent
81. years. Extensive cyber security concepts were also explored in FY2021 and
82. continues into FY22. Due to work plan reprioritization no progress was made
83. in FY2022 - work is expected to recommence in FY2023.

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. We have continued to incrementally add capability in the interface between an
2. ESRI (new) GIS system with the (existing) [REDACTED] system - grafting two
3. distinct, somewhat incompatible GIS systems together in order to take
4. advantage of the strengths of each. We also successfully developed, tested
5. and deployed to public beta a customer outage notification system that now
6. interfaces not only with twitter, email, and web systems but also directly to
7. customers via SMS and text to speech voice calls.
8. Development is nearly complete on a rebuild of the [REDACTED] which
9. will enable us to reuse the vast majority of client-side code to redeploy to
10. IOS and Android in the future.
11. In addition, the development of a new robust digital map board application
12. allowed us to gradually replace paper mapping processes with more reliable,
13. efficient and robust digital processes.
14. Ellexicon unfortunately had to abandon much of the work performed on the
15. rebuild of the GIS viewer, however the development effort was not wasted:
16. much of the inking and mapping code was ported to the new Digital Map Board

T661 E (20)

17. (DMB) application, which was launched successfully in the system control
18. centre. Because the DMB application requires close to 100% up-time,
19. improvements have been incrementally added to the communications module to
20. address synching issues, many of which were discovered during a 'disaster'
21. recovery scenario in the main office.
22. With the continued incremental improvements to the DMB and the GIS caching,
23. the process has become more streamlined and is now ready to be passed on as a
24. regular part of business to non-technical users. This will occur as
25. the structure of the organization continues to change.
26. Ellexicon continued to attempt to implement an export to the common
27. information model (CIM), an emerging industry standard data exchange format,
28. from its new consolidated GIS. While the CIM proved to be underdeveloped with
29. third party partners, Ellexicon laid the framework to perform such an export
30. in the future. In addition, a new GIS data model was designed and migrated to
31. that will enable future use of more advanced tools such as an ADMS. Knowledge
32. was gained on cyber security concepts specific to our systems. Cyber security
33. development and system considerations were also explored.
34. Additional new knowledge gained and lessons learned in FY22:
35. The data model within the ADMS leverages coordinate mappings. This proved to
36. be a challenge as Ellexicon's consolidated data model is spatial based. As a
37. result, the network model build between GIS Data Model and ADMS did not
38. translate one to one and impacted visual layout of annotations in ADMS. As a
39. result, Ellexicon explored automating scripts to adjust the annotations, this
40. continues to be under development.

Section C – Additional project information

Who prepared the responses for Section B?

253	☒ Employee directly involved in the project	254 Name	
255	☐ Other employee of the company	256 Name	
257	☒ External consultant	258 Name	259 Firm
		Deloitte LLP	Deloitte LLP

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

260	Names	261	Qualifications/experience and position title
1			
2			
3			

265	Are you claiming any salary or wages for SR&ED performed outside Canada?	☐ Yes	☒ No
266	Are you claiming expenditures for SR&ED carried out on behalf of another party?	☐ Yes	☒ No
267	Are you claiming expenditures for SR&ED performed by people other than your employees?	☐ Yes	☒ No

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

268	Names of individuals or companies	269	BN
1			

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

Part 2 – Project information (continued)

Project number **3**

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)			
P3: System planning & analysis for improvements to the distr			
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	2025-08 Year Month	2.02.01	Electrical and electronic engineering
Project claim history			
208	☒ 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 ☒ 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)
1.	Project Title: P3: System planning & analysis for improvements to the
2.	distribution network
3.	Ellexicon faces a number challenges with regards to its distribution network.
4.	These challenges include: Its network's ability to accept the connection of
5.	new residential, commercial and industrial loads; how to reinforce or augment
6.	the network based on existing loading, and deteriorating reliability issues,
7.	to create longer term plans for servicing future expected growth areas and
8.	reliability performance improvements; making proper load switching decisions
9.	for station outages due to maintenance given existing loading conditions,
10.	and; its network's ability to accept FIT and micro-FIT sustainable generation
11.	connection applications approved by the OPA. At the core of resolving all
12.	these challenges is the need for an accurate picture/model of the network in
13.	its current state. Such models are invaluable to investigate and accurately
14.	assess the impact of accommodating any of the above proposed changes in
15.	network capability and capacity. Even with an existing set of models of the
16.	configuration carried over from prior years, a specific challenge is to meet
17.	the essential need to keep the models up-to-date so that they continue to
18.	reflect the status quo. Ideally, GIS downloads, either manually or
19.	automatically, facilitate model updating. Ellexicon relies on manual updates.
20.	If updating is not done, the results of studies and simulation runs in terms
21.	of impacts of proposed changes is compromised. Even if up-to-date models are
22.	available for simulation studies to investigate capacity/capability issues,
23.	another important factor is that the network improvement proposals (that
24.	results from system planning and analysis activities) have to be both
25.	technically sound and cost effective. This challenge usually means that all
26.	the solution candidates identified as possibilities need to be investigated
27.	in detail before a preferred solution emerges from the modeling and
28.	simulation efforts that identified them in the first place. Load forecasting
29.	is necessary to attempt to resolve uncertainties in advance. With older
30.	areas, when modeling and simulation is being used to identify options from
31.	improving reliability performance, the other factor that is incorporated in
32.	the analysis is that of refurbishment or replacement of the existing
33.	infrastructure. Further FY22 challenges: CYME integration so that we have one
34.	model for the entire Ellexicon service territory remains an ongoing challenge;
35.	Improving the maturity of load forecast models beyond excel-based platforms;
36.	There is a need to develop a technology-based tool to improve the visibility

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

37. of the condition and health of the distribution network; and, in addition to
38. the software, we also need field hardware devices in remote areas so that we
39. can have more effective control on the far stretch network to improve
40. reliability. We also would work with partners on an innovation efforts for
41. LDC Tomorrow. The scope would involve devising and testing advanced
42. analytical techniques such as machine learning algorithm on the field data
43. collected from Intellirupters to perform fault localizations.

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. As per the previous fiscal periods, the main focus of modeling and simulation
2. efforts continued on improving the configuration and performance of the
3. network. The area model was first updated before simulations were run. The
4. area has the most complex network arrangements with deteriorating
5. infrastructure and reliability performance. Unjacketed, direct buried cables
6. with brittle neutrals are failing and these failures continued to be the
7. driver of efforts to consider adding another transformer station, coupled
8. with the possibility of using cable refurbishments with injections of
9. insulating fluid. Ellexicon continued experimentation with refurbishing
10. failing cables with the injection of insulating fluid and tested adding a
11. cable condition test to attempt to evaluate the methodology - analysis and
12. modifications continue with work still under progress. There had been a delay
13. due to logistics but we resumed work on cable testing and injection
14. process.
15. The existing system models were used to investigate potential improvements in
16. the Belleville, Brockville and Clarington areas of Ellexicon's service
17. territory; however no significant improvement opportunities were identified.
18. Work was spread across all districts to ensure the distribution network would
19. continue to operate well and not offer undue reliability risks. Loading was
20. assessed and potential projects were developed to improve areas with
21. limitations to growth and/or operational concerns such as inability to backup
22. areas from other surrounding supply points. In our Whitby Service Area
23. Ellexicon completed an electrical system model to enable load flow
24. calculations to be conducted and identified potential improvement
25. opportunities. Work continued into FY2022 and will extend into FY2023 on a
26. new consolidated model with advanced features that will enable Ellexicon to
27. conduct more accurate load flow studies using smart meter data of individual
28. customers.
29. We also continued work on developing new load forecasts (taking into account
30. the impact of embedded generation); long term planning for a new Transformer
31. Station south of the proposed airport land; as well as fault-level modeling.
32. Fault-level modeling is required when modeling and assessing the impact of
33. proposed units of distributed generation - that would be embedded inside the
34. Ellexicon system. While mainly Solar PV proposals were involved, some wind and
35. bio-gas proposals were included in the portfolio to be reviewed. As
36. referenced already, particular attention was paid to the predicted response
37. of these proposed generators under fault conditions. Each application
38. requires thorough analysis of impacts to system reliability and the stability
39. of the supply voltage. As part of our system modelling improvements the model
40. has been updated to include all possible generation technologies,
41. jurisdictions and GIS systems. All (>10kW) connected generation projects
42. including Natural Gas and Battery systems were successfully embedded into
43. Ellexicon's current system model. This activity continues with connected
44. generation sites with Micro-Gen projects (<10kW) as part of the model
45. enhancement project. Further work is planned with larger and more complex
46. solar PV and BESS projects in Belleville, Ajax, etc.
47. A new Load Forecast Model [Metsco assisted in the activity] was initiated to
48. attempt to overcome ongoing uncertainties of future variations of

T661 E (20)

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)

49. distribution voltages and the network to industrial, commercial and
50. residential end-customers with the main objective to supply the electrical
51. load to its customers safely, reliably, and economically. The power system
52. design requires suitably rated equipment and distribution lines such as
53. conductors, distribution step down substations with transformers and
54. switchgears, distribution feeders with pole mounted transformers, as well as
55. underground transformers in vaults. Furthermore, not all customers operate
56. all their equipment at the same time, and some equipment operates at less
57. than full load, thus the resultant demand on the power equipment is less than
58. the connected load. Application of factors to load demand, such as demand
59. factor, diversity factor, load factor and coincident factor help the system
60. designer optimize the design of feeders, transformers and buses/switchgears
61. for immediate load requirements and predicted future loading needs. In order
62. to meet the normal, abnormal or emergency load requirements of the area, the
63. present capacities of the feeders, transformers, switchgears and substations
64. would be analyzed and reliable future plans for upgrades to the power system
65. developed. In FY21 we improved user interface (clear input and output layout)
66. and ability to update future years. In the early 2022, we worked with METSCO
67. to improve the front-end user interface of the load forecast model to improve
68. the usability of the model.
69. Decisions are also involved about monitoring and control requirements when
70. large capacity DG units are being proposed. As there are some known
71. constraints that Hydro One has imposed on parts of the existing system, like
72. acceptable DG penetration rates per feeder, Ellexicon needs to manage and deal
73. with them. While these requests are still being managed on a case-by-case
74. basis, it is anticipated there will be a future need to develop new protocols
75. as the distributed generators embedded in the Ellexicon system become
76. increasingly common. DG analysis activities would include modelling of
77. Natural Gas Turbine power generation and Battery Storage Energy. Thorough
78. connection impact assessments (CIAs) were initiated to attempt to understand
79. how large-scale generators impact the existing Ellexicon grid (i.e system
80. thermal loading, short circuit capacity, load flow and system voltage
81. profile, power quality, protection and control, upstream Hydro One
82. requirements, metering etc...). In order to complete comprehensive system
83. study, we had to construct accurate distribution system model using CYME
84. software. Then the generators also needed to be accurately modelled and
85. studied. A fine balance must be established between ensuring the safety of
86. operation and accommodating customer requirements. The volume and complexity
87. of these studies remained a challenge. CYME modelling work remains in
88. progress.
89. Continuing from previous periods we performed further work to predict
90. responses under fault conditions. We also continued with our analysis for
91. creating new applications of the generators. Special attention was paid to
92. develop the predicted response of these generators under fault conditions;
93. where each application required thorough analysis of the impacts to system's
94. reliability and the stability of the supply voltage. Other ongoing activities
95. included: Protection settings and coordination studies; Developed and
96. programmed for SCADA monitoring and control; and P&C work on renewable
97. generation alternatives.

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. There are, in general, a set of proposed improvements to the current
2. configuration and facilities of a distribution network - across an
3. unconsolidated service territory - that have been developed for each specific
4. area and district from the modeling and analysis studies undertaken with a
5. specialized simulation S/W tool. These proposed improvements are typically
6. the results of analyzing aspects such as: feeder layout in an area to

T661 E (20)

7. determine new transformer locations to maximize operational flexibility and
8. minimize losses; servicing requirements of a new proposed development to
9. understand the best connection plans to the network such as that for the
10. proposed Seaton community investigated last year through multiple analyses of
11. voltage levels and fault currents to estimate increased loading and supply
12. options with existing and possible new feeders; substation loading across
13. Exlexicon's service territories to assess its network's operability with
14. certain substations being off-line; The network's ability to handle
15. new/expanded commercial/industrial loads; evaluation and impact analysis of
16. new distributed/embedded generators being proposed to feed into the Exlexicon
17. network as a consequence of the Green Energy and Green Economy Act (GEGEA)
18. Feed-in-Tariff (FIT) and micro-FIT programs; and examining how areas with
19. older, aging infrastructure can be reconfigured or reinforced using
20. predictive modeling/forecasting to mitigate the impacts of possible
21. substation failures during peak load times on customer service and system
22. stability, to prepare contingency operational plans to prepare Exlexicon's
23. response in the event of failures, and to reduce the incidence of outages.
24. With a set of models for all sections of its service territory - from the
25. 44kV through 4.16kV levels - of its existing configurations, Exlexicon had the
26. basis to investigate potential changes (via load forecast modelling) to
27. attempt to deal with, for example, the impact of load changes, potential
28. solutions to segments of the network with chronic problems, in order to
29. improve its distribution system performance from the perspectives of
30. reliability, balanced loading, level of losses and delivered power quality.
31. The volume and complexity of these studies were a challenge to our utility
32. initially. After a year of refining our DG modelling method, we gained enough
33. experience to accurately assess these generators and work with our customer
34. to complete the projects.
35. New insights / lessons learned in FY22: new station upgrade concepts to
36. improve reliability and system contingencies; Devising connecting concepts
37. for new net metering applications for solar PV and BESS; energizing concepts
38. for Seaton MTS station; and development on plans for new DESN stations and
39. adding new feeder breaker in Belleville.

Section C – Additional project information

Who prepared the responses for Section B?

253	☒ Employee directly involved in the project	254 Name	
255	☐ Other employee of the company	256 Name	
257	☒ External consultant	258 Name	259 Firm
		Deloitte LLP	Deloitte LLP

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

260	Names	261	Qualifications/experience and position title
1			
2			
3			

265	Are you claiming any salary or wages for SR&ED performed outside Canada?	☐ Yes	☒ No
266	Are you claiming expenditures for SR&ED carried out on behalf of another party?	☐ Yes	☒ No
267	Are you claiming expenditures for SR&ED performed by people other than your employees?	☒ Yes	☐ No

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

268	Names of individuals or companies	269	BN
1	METSCO ENERGY SOLUTIONS INC		[REDACTED]

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

Part 2 – Project information (continued)

Project number **4**

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)			
P4: Developing and applying Smart Grid (SG) concepts, techni			
202 Project start date	204 Completion or expected completion date	206 Field of science or technology code (See guide for list of codes)	
2017-01	2024-06	2.02.01	Electrical and electronic engineering
Year Month Year Month			
Project claim history			
208	☒ 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 ☒ 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)
1.	Project Title: P4: Developing and applying Smart Grid (SG) concepts,
2.	techniques, methodologies & related equipment
3.	Ellexicon had developed a better understanding of the Ontario SG Forum's SG
4.	definition as one that ""uses sensors, monitoring, communication, automation
5.	and computers to improve the flexibility, security, reliability, efficiency
6.	and safety of the electricity system"", and Ontario's Green Energy & Green
7.	Economy Act requirements. It reviewed how existing tools/practices and those
8.	under development could be incorporated into a SG framework. In addition,
9.	Ellexicon investigated: (1) the state-of-the-art in SG technologies; (2)
10.	actual and proposed SG-like innovations already available; (3) the principal
11.	drivers for SG efforts and their impact on work either undertaken or still in
12.	progress. From the data collected and analyzed, a preliminary approach was
13.	developed to deploy SG concepts, techniques, methodologies & related
14.	equipment. It was not, however, taken to the detailed level of a Green Plan
15.	and uncertainties persisted. Smart Community Microgrid project was
16.	subsequently determined to be a test bed for the company for deployment of
17.	DERs for grid benefits, islanding and grid connected microgrid assets for
18.	added resiliency, EV charging profiles and growth in the community, etc.
19.	Testing these constructs and identifying operational procedures in this
20.	environment would lead to more confidence within the utility to promote and
21.	plan for higher adoption of DERs and EVs, rather than having an aversion for
22.	them. The uncertainties of the activity would be associated with whether
23.	residents would have sufficient system intelligence and analytics to better
24.	manage their energy needs and challenges with and viable solutions for
25.	deploying a smart energy community in Ontario, given its unique electricity
26.	grid and standards. In FY22, Modifications were required to the SCM equipment
27.	to attempt to perform testing - delays encountered for revisions and
28.	equipment modifications complicated development efforts.
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.	Ellexicon had started working on the Smart Community Microgrid (SCM) project
2.	in a past fiscal period and the work continues into the present. It initiated
3.	with a SCM demonstration project designed & developed together with the City
4.	of Pickering, Marshall Homes (the developer), Opus One Solutions (technology
5.	partner). The intended result was greater efficient energy use, decrease in

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)

6. GHG consumption from reduced electricity required from the grid & lowering
7. usage at home using smart appliances & thermostats. The community would
8. generate clean electricity during the day & store electricity during the
9. night when GHG based electrons are at its lowest. Resiliency against loss of
10. power (grid failure) increased due to self-generation & storage for community
11. purposes. The site included the energy storage, roof top solar, EV charging
12. station, GridOS Distributed Energy resources management system (DERMS) to
13. provide an innovative approach to community development to provide
14. resiliency, energy conservation and demand management for the residents and
15. electric utility respectively. Extensive work continued on design, equipment
16. specifications evolved and a microgrid developed and DERMS software
17. iteratively devised and interfaced with the expanding community storage and
18. generation concepts. DERMS testing continues to be performed using actual
19. feeder parameters. Actual field work design continues to be in progress.
20. Power quality failures continue to be encountered and advanced meters used in
21. follow up investigations. In order to capture the power quality data, we
22. acquired and utilized [REDACTED] software in
23. FY20 with testing conducted in FY21. The software was able to collect and
24. export data that supports the failure was caused by a large user operation
25. and data analysis continued to be performed into FY22. There was also
26. extensive work performed to attempt to finalize the Site Acceptance Test
27. (SAT) for the SCM. A Project Engineer was engaged and prep work for the SAT
28. including equipment bench-tests were completed. The SAT and the project
29. itself is expected to be completed in FY23.

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. Ellexicon sought to acquire the knowledge and capabilities it needed to deploy
2. and implement a range of Smart Grid concepts and technologies across its
3. existing distribution network to transition it to one that has a fully
4. intelligent infrastructure with:
5. (1) Compatible, durable and reliable equipment with built-in sensing and
6. intelligent electronic devices for monitoring, fault diagnosis, and self-
7. restoration capabilities.
8. (2) Fail-safe, robust, fast, high band-width, 2-way advanced communications
9. from customers to the grid control center.
10. (3) Centralized monitoring and control utilizing integrated data bases for
11. customer information, for asset records including their geographic locations,
12. for the management of outages, for grid operations and for making physical
13. changes to the grid infrastructure.
14. (4) Informed & intelligent operators and customers regarding electricity use
15. and the assets for local generation, distribution & storage and initiatives
16. to facilitate wise consumption for system-wide benefits; and
17. (5) Unrestricted capability to accommodate, plug-in hybrid electric vehicles
18. (EV), distributed generation (DG), and potentially energy storage. In
19. summary, a SG is one that supports the 2-way flows of electricity, data &
20. information.
21. To date, we have advanced our knowledge and general understanding on:
22. (A) the applicability of different types & capabilities of SG systems and
23. equipment - either currently commercially available or at a prototype stage -
24. to permit their evaluation with a view to establishing a set of preferred
25. concepts, techniques and methodologies that Ellexicon could implement;
26. (B) facilitating system reliability improvements via reduced outages and
27. quicker response times and adding more visibility to the system;
28. (C) making more efficient use of existing infrastructure and reducing losses;
29. (D) empowering customers to participate in conservation; and
30. (E) Progressing towards the transition to a SG.
31. (F) Smart Community Microgrid development - understanding grid benefits,

T661 E (20)

32. islanding and grid connected microgrid assets for added resiliency, EV
33. charging profiles and growth in the community, etc. The unique methods and
34. techniques required for system intelligence and analytics would result in a
35. considerable knowledge gain.
36. (G) Power Monitoring of the Smart Grid system for the grid effects of large
37. operations on the micro-grid
38. (H) Multiple parties working on different components for programming and
39. logics on relays for our community SG project led to systematic
40. uncertainties to be resolved in future fiscal periods.

Section C – Additional project information

Who prepared the responses for Section B?

253	☒ Employee directly involved in the project	254	Name
255	☐ Other employee of the company	256	Name
257	☒ External consultant	258	Name
			Deloitte LLP
		259	Firm
			Deloitte LLP

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

260	Names	261	Qualifications/experience and position title
1			
2			
3			

- 265** Are you claiming any salary or wages for SR&ED performed outside Canada? ☐ Yes ☒ No
- 266** Are you claiming expenditures for SR&ED carried out on behalf of another party? ☐ Yes ☒ No
- 267** Are you claiming expenditures for SR&ED performed by people other than your employees? ☒ Yes ☐ No

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

268	Names of individuals or companies	269	BN
1	METSCO ENERGY SOLUTIONS INC		

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

Part 2 – Project information (continued)

Project number 5

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)

P5: Mobile Workforce Management System (MWFMS) design, devel

202 Project start date

2015-01

Year Month

204 Completion or expected completion date

2023-10

Year Month

206 Field of science or technology code
(See guide for list of codes)

2.02.01

Electrical and electronic engineering

Project claim history

208 ☒ 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 ☒ 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)

1. Project Title: P5: Mobile Workforce Management System (MWFMS) design,
2. development and pilot implementation
3. For a MWFMS (Mobile Workforce Management System) to be an effective tool for
4. Ellexicon, it must be integrated with a diverse range of
5. existing tools and systems which include [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED] among others. Ellexicon was challenged to define
10. processes encompassed by these systems and where mobile computing could
11. benefit them, and devise methods of interfacing such systems and processes to
12. meet the project's objectives for Ellexicon's MWFMS.
13. As per previous fiscal periods, the emphasis continued to be on the software
14. side of the MWFMS with a stated purpose of customizing existing available
15. commercial S/W tools to the maximum extent possible. The key obstacle that
16. Ellexicon faced was resolving interface issues of candidate tools with its
17. existing suite of tools and systems.
18. In FY2022 the various MWFM systems continue to be tested. Line Operations
19. leveraged the [REDACTED] for a number of workflows such as trouble
20. calls and equipment inspections. Metering teams leverage [REDACTED]
- [REDACTED] for meter exchange workflows. In FY2022 Ellexicon explored
22. migrating the meter exchange workflows from [REDACTED] into [REDACTED] to attempt to
23. integrate the system but encountered systematic challenges.

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. Ellexicon continued to work with the CIS to test/direct development of a
2. business layer with which to interact. This involved several iterative
3. development and test cycles. Once the business layer was completed to an
4. acceptable level, development of the meter install workflow continued and was
5. piloted, tested and iteratively improved with the end users.
6. In addition, there were some issues with the trouble call workflow. The
7. workflow was designed to infer the assets that were damaged and replaced
8. based on as little input as possible from field crews. There were some
9. scenarios discovered where the software was incorrectly identifying assets
10. and so there was some significant re-engineering required to correct 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)

11. issues. Work continued to refine the accuracy and detail of the trouble
12. calls, enabling cleaner data that was subsequently used for more detailed
13. analytics on tree trimming activities. Development activities also included
14. ongoing modifications to the existing MWFM workflows to work with the new
15. consolidated GIS model. Work to change system inspections and add new
16. workflows such as digitized trench inspections also continued. MWFM via the
17. [REDACTED] is operational. However, in FY2022, Ellexicon developed
18. and tested the workflow for meter exchanges leveraging [REDACTED]. The team ran
19. into a hardware challenge. An initial step in the process requires scanning a
20. meter's identification number/barcode. Typically this is done using the field
21. device. In this circumstance, the Metering team utilizes the built-in camera
22. within their Microsoft Surface Pro. It was found that the resolution was
23. unable to accurately recognize the meter's identification number/barcode. As
24. a resolution, external scanners were purchased. Development is complete and
25. promoted into production.

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. It is the capability to achieve increased back office & field resource
2. efficiencies through the development & implementation of enhanced
3. office/field communications using MWFMMS. The objectives established for the
4. MWFMMS were to:
5. (1) improve safe vehicle use and efficiency through a combination of software
6. & hardware;
7. (2) reduce or eliminate paper-based communication of in-field conditions to
8. in-office personnel;
9. (3) improve customer experience through faster response times & consistent,
10. effective service;
11. (4) provide easier access to enterprise-wide information & ensure data
12. accuracy to/from the field ;
13. (5) improve visibility into workforce & workload for tactical & strategic
14. decisions; and
15. (6) assure flexibility and scale-ability through [REDACTED]
[REDACTED]
17. 2017 saw the expansion of [REDACTED] between the middleware and
18. the involved systems, as well as the design and development of new workflow
19. to capture trouble calls. In addition, a new [REDACTED] was designed by a
20. vendor in cooperation with Veridian to accommodate [REDACTED] to capture
21. meter installations.
22. 2018 saw the improvement of the asset identification algorithms based on user
23. input as well as the refinement of the [REDACTED] delivered by the vendor in
24. cooperation with Ellexicon.
25. [REDACTED] Ellexicon continued to
26. advance the trouble call workflow to increase accuracy of the asset
27. identification algorithms. 2020 and 2021 saw the modification of the existing
28. systems to match the new GIS consolidated data model and added digitized
29. trench inspection capabilities. In 2022 we developed and tested the workflow
30. for meter exchanges and further advanced our capabilities.

Section C – Additional project information

Who prepared the responses for Section B?

253	☒ Employee directly involved in the project	254	Name
255	☐ Other employee of the company	256	Name
257	☒ External consultant	258	Name
			Deloitte LLP
		259	Firm
			Deloitte LLP

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

260	Names	261	Qualifications/experience and position title
1			
2			
3			

265	Are you claiming any salary or wages for SR&ED performed outside Canada?	☐ Yes	☒ No
266	Are you claiming expenditures for SR&ED carried out on behalf of another party?	☐ Yes	☒ No
267	Are you claiming expenditures for SR&ED performed by people other than your employees?	☐ Yes	☒ No

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

268	Names of individuals or companies	269	BN
1			

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

Part 2 – Project information (continued)

Project number 6

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)

P6: Improved Engineering project Design/Analysis through Cus

202 Project start date

2012-09

Year Month

204 Completion or expected completion date

2023-02

Year Month

206 Field of science or technology code
(See guide for list of codes)

2.02.01

Electrical and electronic engineering

Project claim history

208 ☒ 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 ☒ 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)

1. Project Title: P6: Improved Engineering project Design/Analysis through
2. Custom Software Tools
3. For this project, we sought to improve our engineering standards and analysis
4. methods through the development and customization of various software tools.
5. A common problem when CAD software tools are being used to generate
6. engineering design drawings is the lack of a common methodology so that no
7. matter which designer prepares the drawings, all of the drawings released for
8. construction look the same, and use the same symbolism and conventions. The
9. problem exists in a single engineering office with multiple technical staff
10. creating drawings and tends to be much worse when multiple offices are
11. involved working on the same multi-disciplinary project.
12. The obstacles/uncertainties faced going in were:
13. - Understanding the criteria that should be adopted to rationalize and
14. standardize the existing practices used across the design staff in the
15. Engineering Department using the AutoCAD S/W tool for design development with
16. their individual approaches, practices, subroutines/macros and symbolism;
17. - whether or not the scope of the design work for the CAD
18. initiative/methodology would cover would include all aspects of the
19. Engineering Departments activities and not just the areas already using
20. AutoCAD;
21. - Developing and verifying the testing protocols that should be used to
22. verify the components of the new methodology (s) and to ensure application
23. consistency across all of its users.
24. - Understanding how to capture/characterize all of the design inputs and
25. allow the model to be updated through testing.
26. - For [REDACTED] - We anticipated a CSA ruling that would mean that linear
27. evaluation for guying analysis would no longer be acceptable. We needed to
28. develop an approach to be able to perform non-linear analysis under a wide
29. range of loading conditions.
30. In early FY21 and into FY22 we also intend on developing a e-JPF (electronic
31. job-planning folder) whereby we are transitioning from a paper-based workflow
32. to electronic, leveraging the available [REDACTED] - a pilot is planned
33. and we intend on it being fully operational in 2023. Technical uncertainties
34. were encountered while attempting to adapt the [REDACTED] to unify job
35. documentation to be uploaded, downloaded, and accessed by all users and
36. departments. Obstacles in achieving 'in real time' updating of construction

T661 E (20)

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

37. status, including mapping, energizations, and construction status through the
38. E-JPF process/procedure were also encountered.

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 this project, we worked on an AutoCAD standardization concept, custom
2. guying analysis and design system integration development initiatives.
3. The first activity involved attempting to use AutoCAD to standardize existing
4. engineering practices, and this project continued from prior fiscal periods.
5. A team had been formed in previous fiscal periods, with representatives from
6. different areas to contribute their expertise to the definition and
7. specification of what the new methodology had to achieve, and what its
8. outputs had to deliver. Various sessions were held before the working
9. documents were sufficiently detailed and a customizing solution in AutoCAD
10. format could be tested and trialed. Ongoing development included continued
11. modification of the interface between the AutoCAD template and the GIS tools
12. with initiatives between Standards and GIS to attempt to resolve ongoing
13. export/import failures. Development and customization of software tools for
14. the concept continues.
15. The second project involved working to develop a custom software package for
16. guying analysis. The goal was to develop a model where the physical
17. properties of pole-framing equipment could be incorporated into a client
18. file. Prior to this initiative starting, we had been doing linear analysis
19. in Excel. Our goal with the non-linear approach was to evaluate the pole-
20. loading as a whole. In the course of ongoing development we had devised
21. overhead and underground & overhead construction standards and associated
22. policies; transitioned to CAD certified interfaces; and utilized [REDACTED]
23. client file conversion to attempt to allow for dynamic non-linear guying as
24. required by CSA. We continue to observed equipment failures and perform
25. investigations of possible system modifications with ongoing development of
26. in-house [REDACTED] to CAD export tools and Inter-Utility Standards.
27. Other development continued on engineer design and systems integration as we
28. sought to improve our engineering standards and analysis methods through the
29. development and customization of various software tools. In early FY21 and
30. now extending into FY22 we explored and tested a e-JPF (electronic job-
31. planning folder) whereby we attempted to transition from a paper-based
32. workflow to electronic, leveraging the available [REDACTED] - the pilot
33. was tested and we had to make the downloading / uploading features more user
34. friendly and efficient (Erth).

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. Ellexicon wanted to create, verify and validate a new methodology to
2. standardize the look and content of its digitally created engineering
3. drawings released for construction by either internal line crews or
4. external line or specialist contractors. So Ellexicon needed to acquire the
5. knowledge to do so. In addition, it wanted the new CAD tool, which would be
6. at the core of the new methodology, [REDACTED] so that the
7. preparation of W.O. packages could be made more efficient as well as more
8. consistent and understandable by the personnel who have to interpret the
9. drawings that these packages contain. As it did not have expertise in
10. developing solutions within AutoCAD, the tool it used for electrical drawing
11. production for infrastructure additions and modifications, Ellexicon
12. recognized at the outset that it would likely need to obtain assistance from
13. an external specialist contractor. Progress towards achieving these
14. advancements was incremental over multiple fiscal periods, and further work
15. would continue. In addition, Ellexicon worked to develop a non-linear method
16. for guying analysis and load-modelling under a wide range of installation

17. conditions. Unique [REDACTED] concepts continue to be devised and tested with
18. further knowledge gained ([REDACTED] to CAD export tool concepts and Inter-
19. Utility Standards models). Knowledge from e-JPF development will be gained in
20. future fiscal periods. Other new knowledge gained and lessons learned
21. includes efficiency advancements in the E-JPF process/procedure, mainly the
22. 'in real time' updating of construction status, including mapping,
23. energizations, and construction status.

Section C – Additional project information

Who prepared the responses for Section B?

253 ☒ Employee directly involved in the project

254 Name

255 ☐ Other employee of the company

256 Name

257 ☒ External consultant

258 Name
Deloitte LLP

259 Firm
Deloitte LLP

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

260	Names	261	Qualifications/experience and position title
1	[REDACTED]		[REDACTED]
2	[REDACTED]		[REDACTED]
3			

265 Are you claiming any salary or wages for SR&ED performed outside Canada? ☐ Yes ☒ No

266 Are you claiming expenditures for SR&ED carried out on behalf of another party? ☐ Yes ☒ No

267 Are you claiming expenditures for SR&ED performed by people other than your employees? ☒ Yes ☐ No

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

268	Names of individuals or companies	269	BN
1	ERTH (Holdings) Inc.		[REDACTED]

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 ☒ Project planning documents

276 ☒ Progress reports, minutes of project meetings

271 ☒ Records of resources allocated to the project, time sheets

277 ☐ Test protocols, test data, analysis of test results, conclusions

272 ☐ Design of experiments

278 ☐ Photographs and videos

273 ☐ Project records, laboratory notebooks

279 ☐ Samples, prototypes, scrap or other artefacts

274 ☒ Design, system architecture and source code

280 ☒ Contracts

275 ☐ Records of trial runs

281 ☒ Others, specify **282** Emails

Federal Tax Instalments

Federal tax instalments

For the taxation year ended 2023-12-31

Business number

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	51,508				51,508
2023-02-28	51,508				51,508
2023-03-31	51,508				51,508
2023-04-30	51,508				51,508
2023-05-31	51,508				51,508
2023-06-30	51,508				51,508
2023-07-31	51,508				51,508
2023-08-31	51,508				51,508
2023-09-30	51,508				51,508
2023-10-31	51,508				51,508
2023-11-30	51,508				51,508
2023-12-31	51,505				51,505
Instalment (COVID-19)					
Totals	618,093				618,093

Quarterly instalment workchart

Date	Quarterly tax instalments	Refund transferred to instalments	Instalments paid	Cumulative difference	Instalments payable
2023-03-31					
2023-06-30					
2023-09-30					
2023-12-31					
Instalment (COVID-19)					
Totals					

Instalment method

Indicate instalment method chosen [1-3] 1

1st Instalment base method

If payment of instalments other than quarterly instalments is delayed, indicate the MONTH in which you want them to begin (1=January, 2=February, etc.).

1

Select this box if you want the instalments to be calculated without taking the applicable threshold into account

☐

Quarterly instalments calculation

The corporation must meet requirements 1 to 5 to be eligible for quarterly instalments for a tax year.

- 1 – Is the corporation a Canadian-controlled private corporation (CCPC)? ☒ Yes ☐ No
- 2 – Did the corporation claim any deduction under the section 125, during either the current or previous year? ☐ Yes ☒ No
- 3 – Is the corporation's, or any of its associated corporations', taxable income for the current or previous year less than or equal to \$500,000? ☐ Yes ☐ No
- 4 – Is the corporation and any associated corporations' taxable capital employed in Canada for the current or previous year less than or equal to \$10,000,000? ☐ Yes ☐ No
- 5 – Does the corporation have a perfect compliance history in the last 12 months? ☐ Yes ☐ No

If you do not want to use the quarterly instalments option, select this box to go back to monthly instalments.

☐

1 – 1st Instalment base method

1st Instalment base amount (amount N below)	618,093 ÷ 12 =	51,508
	Monthly instalments required	51,508
Quarterly tax instalments required	618,093 ÷ 4 =	

2 – Combined 1st and 2nd instalment base method

Select this box if you want the first 2 payments* to be calculated without taking the applicable threshold into account?

☐

2nd Monthly instalment base amount

Indicate: Part I tax

Parts VI, VI.1 and XIII.1 tax	+		
Federal adjustment for amalgamation, winding up or transfer	+		
Provincial tax, other than Alberta, Québec and Ontario	+		
Ontario tax	+	531,138	
Provincial adjustment for amalgamation, winding up or transfer	+		
Total	=	531,138 ÷ 12 =	44,262 A
1/12 of estimated current year credits (M below /12)			1,000
		Each of the first two instalment payments	43,262 B
Total tax from N below		618,093	
Amount B above x 2	–	86,524	
	=	531,569 ÷ 10 =	53,157
		Each of the remaining ten instalment payments	53,157

2nd Quarterly instalment base amount

Indicate: Part I tax

Parts VI, VI.1 and XIII.1 tax	+		
Federal adjustment for amalgamation, winding up or transfer	+		
Provincial tax, other than Alberta, Québec and Ontario	+		
Ontario tax	+	531,138	
Provincial adjustment for amalgamation, winding up or transfer	+		
Total	=	531,138 ÷ 4 =	132,785 A
1/4 of estimated current year credits (M below /4)			3,000
		The first instalment payment	 B
Total tax from N below		618,093	
Amount B above	–		
	=	618,093 ÷ 3 =	206,031
		Each of the remaining three instalment payments	

* It is the first payment if the quarterly instalments are applicable.

3 – Estimated tax method

Instalment base amount (amount N below)		÷ 12 =	
	Monthly instalments required		
Quarterly tax instalments required		÷ 4 =	

Instalment base calculation

Federal tax	1st instalment base method	Estimated tax method	
Taxable income			
Calculation of tax payable			
Federal part I tax			
Additional tax on personal services business income	+	+	
Additional tax on banks and life insurers	+	+	
Recapture of investment tax credit	+	+	
Refundable tax on a CCPC's investment income	+	+	
Subtotal	=	=	A
Deduction			
Small business deduction			
Investment corporation deduction	+	+	
Federal tax abatement	+	+	
Manufacturing and processing profits deductions	+	+	
Non-business foreign tax credit	+	+	
Business foreign tax credit	+	+	
General tax reduction	+	+	
Logging tax credit	+	+	
Investment tax credit per Schedule 31	+	+	
Eligible Canadian bank deduction	+	+	
Qualifying environmental trust tax credit	+	+	
Subtotal	=	=	B
Federal tax summary			
Total part I tax payable (A minus B)			C
Part VI tax	+	+	D
Part VI.1 tax	+	+	E1
Part XIII.1 tax	+	+	E2
Parts I, VI, VI.1 and XIII.1	Total	=	F
Federal adjustments			
Adjustment for short taxation years multiplied by 365 and divided by the number of days in the year if less than 365	x 365 / 365	x 365 / 365	
Subtotal	=	=	
Federal adjustment for amalgamation, winding up or transfer	+	+	N/A
Total federal tax after adjustments	=	=	G
Provincial tax			
Provincial/territorial tax other than Alberta, Québec and Ontario before provincial refundable tax credits	+	+	H
Ontario tax			
Income tax			
Corporate minimum tax paid (credited)	+		630,093
Special additional tax on life insurance corporations	+		
Total Ontario tax	=	+	630,093
Harmonized provincial tax (H + I)			
Provincial/territorial tax other than Alberta and Québec before provincial refundable tax credits	=	=	J

Instalment base calculation (continued)

Provincial adjustments

Adjustment for short taxation years multiplied by 365 and divided by the number of days in the year if less than 365

	x	365 / 365	x	365 / 365	
Subtotal	=	630,093	=		
Provincial adjustment for amalgamation, winding up or transfer	+		+	N/A	
Total provincial tax after adjustments	=	630,093	=		K
Total of tax before refundable credits**	=	630,093	=		L

Estimated current year credits

Investment tax credit refund					
Dividend refund	+		+		
Federal capital gains refund	+		+		
Provincial and territorial capital gains refund	+		+		
Tax withheld at source	+		+		
Canadian journalism labour tax credit	+		+		
Other estimated credits	+		+		
Provincial/territorial refundable tax credits other than Alberta, Québec and Ontario*	+		+		
Ontario refundable tax credits*	+	12,000	+		
Total estimated current year credits	=	12,000	=		M
Instalment base amount (L – M)		618,093			N

* For more details with regards to the impact of the refundable tax credits in the instalment base calculation, consult the Help.

** For instalments payable, the amount on line G will only be included in the amount of line L when it exceeds \$3,000. The same rule applies to line K.



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 [REDACTED] [REDACTED] [REDACTED]	
Corporation's name 002 Ellexicon Energy Inc.	
Address of head office Has this address changed since the last time the CRA was notified? 010 Yes ☐ No ☒ If yes , complete lines 011 to 018. 011 55 Taunton Road East 012 _____ 015 City 016 Province, territory, or state Ajax ON 017 Country (other than Canada) 018 Postal or ZIP code L1T 3V3	
Mailing address (if different from head office address) Has this address changed since the last time the CRA was notified? 020 Yes ☐ No ☒ If yes , complete lines 021 to 028. 021 c/o 100 Taunton Road East 022 _____ 023 _____ 025 City 026 Province, territory, or state Whitby ON 027 Country (other than Canada) 028 Postal or ZIP code L1N 5R8	
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 ☒ If yes , complete lines 031 to 038. 031 100 Taunton Road East 032 _____ 035 City 036 Province, territory, or state Whitby ON 037 Country (other than Canada) 038 Postal or ZIP code L1N 5R8	
040 Type of corporation at the end of the tax year (tick one) ☒ 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 2022-01-01 061 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 ☒ 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 ☒	
Is the corporation a professional corporation that is a member of a partnership? 067 Yes ☐ No ☒	
Is this the first year of filing after: Incorporation? 070 Yes ☐ No ☒ Amalgamation? 071 Yes ☐ No ☒ If yes , complete lines 030 to 038 and attach Schedule 24.	
Has there been a wind-up of a subsidiary under section 88 during the current tax year? 072 Yes ☐ No ☒ If yes , complete and attach Schedule 24.	
Is this the final tax year before amalgamation? 076 Yes ☐ No ☒	
Is this the final return up to dissolution? 078 Yes ☐ No ☒	
If an election was made under section 261, state the functional currency used 079 _____	
Is the corporation a resident of Canada? 080 Yes ☒ No ☐ If no , give the country of residence on line 081 and complete and attach Schedule 97. 081 _____	
Is the non-resident corporation claiming an exemption under an income tax treaty? 082 Yes ☐ No ☒ If yes , complete and attach Schedule 91.	
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 ☒	9
Is the corporation an associated CCPC?	160 ☒	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 ☒	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 ☒	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 ☐	7
Does the corporation have any property that is eligible for capital cost allowance?	208 ☒	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 or zero-emission technology manufacturing 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 ☒	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over \$10,000,000?	234 ☒	
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?	☐	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?	☐	T1135
Did the corporation transfer or loan property to a non-resident trust?	☐	T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	☐	T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	☐	T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	☐	T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	☐	T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	☐	55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	☐	T2002
Has the corporation revoked any previous election made under subsection 89(11)?	☐	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?	☐	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?	☐	54
Is the corporation claiming a return of fuel charge proceeds to farmers tax credit?	☐	63
Are you an employer reporting a non-qualified security agreement under subsection 110(1.9)?	☐	59
Is the corporation claiming an air quality improvement tax credit?	☐	65
Is the corporation subject to the additional 1.5% tax on banks and life insurers?	☐	68

Additional information

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	Yes	☒	No	☐
Is the corporation inactive?	280	Yes	☐	No	☒
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	Electric Power Distribution in Canada		285	100.000 %
	286			287	%
	288			289	%
Did the corporation immigrate to Canada during the tax year?	291	Yes	☐	No	☒
Did the corporation emigrate from Canada during the tax year?	292	Yes	☐	No	☒
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 GIFL	300	-10,647,158	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")			C
Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355		D
Taxable income (amount C plus amount D)	360		
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	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:

- 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.
- 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 x **415** *** 722,223 D = 11,250 E1

Taxable capital business limit reduction for tax years starting after April 6, 2022

Amount C x **415** *** 722,223 D = 90,000 E2

Amount E1 or amount E2, whichever applies ► E3

Passive income business limit reduction

Adjusted aggregate investment income from Schedule 7**** . **417** - 50,000 = .. F

Amount C x Amount F = 100,000 G

The greater of amount E3 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 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	M Income paid under clause 125(1)(a)(i)(B) to the corporation identified in column L ³	N Business limit assigned to corporation identified in column L ⁴
	490	500	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 %

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 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) K x 30 2 / 3 % = ... 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

Eligible refundable dividend tax on hand (ERDTH) at the end of the previous tax year (line 530 of the preceding tax year)	520	A
Non-eligible refundable dividend tax on hand (NERDTH) at the end of the previous tax year (line 545 of the preceding tax year) (if negative, enter "0")	535	B
Part IV tax payable on taxable dividends from connected corporations (amount 2G from Schedule 3)	C	
Part IV tax payable on eligible dividends from non-connected corporations (amount 2J from Schedule 3)	D	
Subtotal (amount C plus amount D)		E
Net ERDTH transferred on an amalgamation or the wind-up of a subsidiary	525	F
ERDTH dividend refund for the previous tax year	570	G
Refundable portion of Part I tax (from line 450 on page 6)		H
Part IV tax before deductions (amount 2A from Schedule 3)	I	
Part IV tax allocated to ERDTH (amount E)	J	
Part IV tax reduction due to Part IV.1 tax payable (amount 4D of Schedule 43)	K	
Subtotal (amount I minus total of amounts J and K)		L
Net NERDTH transferred on an amalgamation or the wind-up of a subsidiary	540	M
NERDTH dividend refund for the previous tax year	575	N
38 1/3% of the total losses applied against Part IV tax (amount 2D from Schedule 3)		O
Part IV tax payable allocated to NERDTH, net of losses claimed (amount L minus amount O) (if negative enter "0")		P
NERDTH at the end of the tax year (total of amounts B, H, M, and P minus amount N) (if negative, enter "0")	545	
Part IV tax payable allocated to ERDTH, net of losses claimed (amount E minus the amount, if any, by which amount O exceeds amount L) (if negative, enter "0")		Q
ERDTH at the end of the tax year (total of amounts A, F, and Q minus amount G) (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
ERDTH 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
NERDTH 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
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	

Add provincial or territorial tax:

Total federal 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** 618,093

Deduct other credits:

Total tax payable **770** 618,093 A

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** 630,093

Total credits **890** 630,093 B

Balance (amount A minus amount B) -12,000

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 12,000

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**

ReplID **925**

Certification

I, **950** Chan **951** Cynthia **954** Chief Financial Officer

Last name

First name

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 2023-06-29

Date (yyyy/mm/dd)

Signature of the authorized signing officer of the corporation

956 (905) 427-9870

Telephone number

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

958

Name of other authorized person

959 (905) 427-9870

Telephone number

Language of correspondence – Langue de correspondance

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

990 1

Form identifier 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIF1

Corporation's name	Business number	Tax year end Year Month Day
Ellexicon Energy Inc.		2022-12-31

Balance sheet information

Account	Description	GIFI	Current year	Prior year
Assets				
	Total current assets	1599 +	100,434,579	94,785,355
	Total tangible capital assets	2008 +	730,511,585	634,648,188
	Total accumulated amortization of tangible capital assets	2009 –	144,343,946	124,055,103
	Total intangible capital assets	2178 +	90,412,548	87,918,366
	Total accumulated amortization of intangible capital assets	2179 –	18,847,511	16,228,945
	Total long-term assets	2589 +	58,900,485	39,165,035
	* Assets held in trust	2590 +		
	Total assets (mandatory field)	2599 =	817,067,740	716,232,896
Liabilities				
	Total current liabilities	3139 +	317,723,706	85,053,769
	Total long-term liabilities	3450 +	256,603,360	401,887,859
	* Subordinated debt	3460 +		
	* Amounts held in trust	3470 +		
	Total liabilities (mandatory field)	3499 =	574,327,066	486,941,628
Shareholder equity				
	Total shareholder equity (mandatory field)	3620 +	242,740,674	229,291,268
	Total liabilities and shareholder equity	3640 =	817,067,740	716,232,896
Retained earnings				
	Retained earnings/deficit – end (mandatory field)	3849 =	62,951,902	53,861,035

* Generic item

CORPORATE TAXPREP / TAXPREP DES SOCIÉTÉS - GE09 VERSION 2023 V1.1

Form identifier 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Corporation's name	Business number	Tax year-end Year Month Day
Ellexicon Energy Inc.		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 +	501,726,608	496,806,903
	Cost of sales	8518 –	418,355,604	414,874,335
	Gross profit/loss	8519 =	83,371,004	81,932,568
	Cost of sales	8518 +	418,355,604	414,874,335
	Total operating expenses	9367 +	78,434,434	71,223,439
	Total expenses (mandatory field)	9368 =	496,790,038	486,097,774
	Total revenue (mandatory field)	8299 +	515,768,272	505,219,180
	Total expenses (mandatory field)	9368 –	496,790,038	486,097,774
	Net non-farming income	9369 =	18,978,234	19,121,406
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 =	18,978,234	19,121,406
	Total – other comprehensive income	9998 =	4,358,539	550,377
Extraordinary items and income (linked to Schedule 140)				
	Extraordinary item(s)	9975 –		
	Legal settlements	9976 –		
	Unrealized gains/losses	9980 +		
	Unusual items	9985 –		
	Current income taxes	9990 –	500,936	372,734
	Future (deferred) income tax provision	9995 –	768,322	282,403
	Total – Other comprehensive income	9998 +	4,358,539	550,377
	Net income/loss after taxes and extraordinary items (mandatory field)	9999 =	22,067,515	19,016,646

CORPORATE TAXPREP / TAXPREP DES SOCIÉTÉS - GE09 VERSION 2023 V1.1



General Index of Financial Information (GIFI) – Additional Information

Corporation's name Ellexicon Energy Inc.	Business number [REDACTED]	Tax year-end Year Month Day 2022-12-31

- Corporations need to complete all parts of this schedule that apply and include it with their T2 return along with their other GIFI schedules.
- For more information, see Guide RC4088, General Index of Financial Information (GIFI), and Guide T4012, T2 Corporation – Income Tax Guide.

Part 1 – Information on the person primarily involved with the financial information

Can you identify the person* specified in the heading of Part 1? **111** Yes ☒ No ☐
If you answered **no**, go to Part 2.

Does that person have a professional designation in accounting? **095** Yes ☒ No ☐

Is that person connected** with the corporation? **097** Yes ☐ No ☒

* A person primarily involved with the financial information is a person who has more than a 50% involvement in preparing the financial information that the T2 return is based on. For example, if three persons prepared the financial information by doing respectively 30%, 30%, and 40% of the work, answer **no** at line 111. If they did respectively 10%, 20%, and 70% of the work, answer **yes** at line 111 and complete Part 1 by referring only to the third person.

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

Part 2 – Type of involvement

Choose one or more of the following options that represent your involvement and that of the person referred to in Part 1:

Completed an auditor's report **300** ☒
Completed a review engagement report **301** ☐
Conducted a compilation engagement **302** ☐
Provided accounting services **303** ☐
Provided bookkeeping services **304** ☐
Other (please specify) **305**

Part 3 – Reservations

If you selected option **300** or **301** in Part 2 above, answer the following question:

Has the person referred to in Part 1 expressed a reservation? **099** Yes ☐ No ☒

Part 4 – Other information

Were notes to the financial statements prepared? **101** Yes ☐ No ☒
Did the corporation have any subsequent events? **104** Yes ☐ No ☒
Did the corporation re-evaluate its assets during the tax year? **105** Yes ☐ No ☒
Did the corporation have any contingent liabilities during the tax year? **106** Yes ☐ No ☒
Did the corporation have any commitments during the tax year? **107** Yes ☐ No ☒
Does the corporation have investments in joint venture(s) or partnership(s)? **108** Yes ☐ No ☒

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.

Part 5 – Information on the person who prepared the T2 return

If the person who prepared the T2 return has a professional designation in accounting but is not the person identified in Part 1, choose all of the following options that apply:

- Prepared the T2 return and the financial information contained therein 310 ☐
- The client provided the financial statements 311 ☐
- The client provided a trial balance 312 ☐
- The client provided a general ledger 313 ☐
- Other (please specify) 314 ☐

SCHEDULE 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIF

Form identifier 100

Name of corporation	Business Number	Tax year-end Year Month Day
Ellexicon Energy Inc.		2022-12-31

Assets – lines 1000 to 2599

1060	90,526,419	1061	-5,400,000	1064	901,777
1120	8,714,249	1480	2,834,769	1484	2,857,365
1599	100,434,579	1900	730,511,585	1901	-144,343,946
2008	730,511,585	2009	-144,343,946	2010	26,064,057
2011	-18,847,511	2012	64,348,491	2178	90,412,548
2179	-18,847,511	2420	58,900,485	2589	58,900,485
2599	817,067,740				

Liabilities – lines 2600 to 3499

2600	1,304,937	2620	65,093,179	2680	30,093
2700	223,814,801	2770	3,051,951	2920	708,455
2960	23,720,290	3139	317,723,706	3140	98,265,638
3220	123,307,846	3240	18,850,478	3320	16,179,398
3450	256,603,360	3499	574,327,066		

Shareholder equity – lines 3500 to 3640

3500	98,796,044	3541	77,871,812	3580	3,120,916
3600	62,951,902	3620	242,740,674	3640	817,067,740

Retained earnings – lines 3660 to 3849

3660	53,861,035	3680	17,708,976	3700	-8,618,109
3849	62,951,902				

SCHEDULE 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIF

Form identifier 125

Name of corporation	Business Number	Tax year-end Year Month Day
Ellexicon Energy Inc.		2022-12-31

Description

Sequence number **0003** _01

Other comprehensive income – lines 7000 to 7020

7002 4,358,539

Revenue – lines 8000 to 8299

8000 501,726,608	8089 501,726,608	8100 803,493
8210 193,124	8230 13,045,047	8299 515,768,272

Cost of sales – lines 8300 to 8519

8320 418,355,604	8518 418,355,604	8519 83,371,004

Operating expenses – lines 8520 to 9369

8522 431,187	8523 66,507	8670 20,038,895
8710 9,235,886	9270 48,661,959	9367 78,434,434
9368 496,790,038	9369 18,978,234	

Extraordinary items and taxes – lines 9970 to 9999

9970 18,978,234	9990 500,936	9995 768,322
9998 4,358,539	9999 22,067,515	



Net Income (Loss) for Income Tax Purposes

Schedule 1

Corporation's name Ellexicon Energy Inc.	Business number [REDACTED]	Tax year-end Year Month Day 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 22,067,515 A

Add:

Provision for income taxes – current	101	500,936
Provision for income taxes – deferred	102	768,322
Amortization of tangible assets	104	20,038,895
Charitable donations and gifts from Schedule 2	112	431,187
Scientific research expenditures deducted per financial statements	118	1,177,504
Non-deductible club dues and fees	120	55,790
Non-deductible meals and entertainment expenses	121	33,254
Reserves from financial statements – balance at the end of the year	126	6,925,391
Subtotal of additions		29,931,279 ►

29,931,279

Add:

Other additions:

	1 Description 605	2 Amount 295		
1	OITC/ORDTC/BCRDTC/ABRDTC/ABIEG from prior year 12(1)(x) ITA	15,506		
2	Vehicle amortization	430,248		
3	12(1)(x) CIAC	14,340,151		
4	Co-op education credit 2020 sch550 part#4	4,296		
5	Interest on leased assets	36,721		
6	Deferred revenue - ICM	3,427,834		
	Total of column 2	18,254,756	296	18,254,756
	Subtotal of other additions		199	18,254,756 ►
	Total additions		500	48,186,035 ►

18,254,756 D

48,186,035

Amount A plus line 500 70,253,550 B

Deduct:

Gain on disposal of assets per financial statements	401	193,124
Capital cost allowance from Schedule 8	403	38,118,867
SR&ED expenditures claimed in the year on line 460 from Form T661	411	1,793,616
Reserves from financial statements – balance at the beginning of the year	414	10,781,225
Subtotal of deductions		50,886,832 ►

50,886,832

Deduct:

Non-taxable/deductible other comprehensive income items	347	4,358,539

Other deductions:

	1 Description 705	2 Amount 395
1	13(7.4) election CIAC	14,340,151
2	Pension contribution capitalized for accounting	865,506
3	Unrealized gain on interest rate swap	6,481,739
4	Borrowing costs capitalized	1,051,698

	1 Description 705	2 Amount 395			
5	Intangible assets capitalized for accounting	218,312			
6	Proceeds on sales recorded for accounting	179,041			
7	Lease payments on leased assets	260,286			
8	POEB capitalized for accounting	46,486			
9	Regulatory assets - increase	2,101,283			
10	Sick leave cost capitalized for acctg.	99,299			
11	Other amortization	11,536			
	Total of column 2	25,655,337	▶	396	25,655,337
		Subtotal of other deductions	▶	499	30,013,876
		Total deductions	▶	510	80,900,708
	Net income (loss) for income tax purposes (amount B minus line 510)				-10,647,158 C
	Enter amount C on line 300 of the T2 return.				

Charitable Donations and Gifts

Corporation's name	Business number	Tax year-end Year Month Day
Ellexicon Energy Inc.		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)
Available upon request	430,587
	Subtotal 430,587
	Add: Total donations of less than \$100 each
	Total donations in current tax year 430,587

Part 1 – Charitable donations

	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)	210 430,587	430,587	430,587
Subtotal (line 250 plus line 210)	430,587 1B	430,587	430,587
Subtotal (line 240 plus amount 1B)	430,587 1C	430,587	430,587
Adjustment for an acquisition of control	255		
Total charitable donations available (amount 1C minus line 255)	430,587 1D	430,587	430,587
Amount applied in the current year against taxable income (cannot be more than amount 2H in Part 2)	260		
(enter this amount on line 311 of the T2 return)			
Charitable donations closing balance (amount 1D minus line 260)	280 430,587	430,587	430,587
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, 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
1 st prior year	2021-12-31			
2 nd prior year	2020-12-31			
3 rd prior year	2019-12-31			
4 th prior year				
5 th prior year				
6 th prior year*				
7 th prior year				
8 th prior year				
9 th prior year				
10 th prior year				
11 th prior year				
12 th prior year				
13 th prior year				
14 th prior year				
15 th prior year				
16 th prior year				
17 th prior year				
18 th prior year				
19 th prior year				
20 th prior year				
21 st 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 %		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)		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)		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	410		
(include this amount on line 112 of Schedule 1)			
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	460		
(enter this amount on line 313 of the T2 return)			
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
1 st prior year	<u>2021-12-31</u>		
2 nd prior year	<u>2020-12-31</u>		
3 rd prior year	<u>2019-12-31</u>		
4 th prior year			
5 th prior year			
6 th prior year*			
7 th prior year			
8 th prior year			
9 th prior year			
10 th prior year			
11 th prior year			
12 th prior year			
13 th prior year			
14 th prior year			
15 th prior year			
16 th prior year			
17 th prior year			
18 th prior year			
19 th prior year			
20 th prior year			
21 st 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	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
1 st prior year	2021-12-31		
2 nd prior year	2020-12-31		
3 rd prior year	2019-12-31		
4 th prior year			
5 th prior year			
6 th prior year*			
7 th prior year			
8 th prior year			
9 th prior year			
10 th prior year			
11 th prior year*			
12 th prior year			
13 th prior year			
14 th prior year			
15 th prior year			
16 th prior year			
17 th prior year			
18 th prior year			
19 th prior year			
20 th prior year			
21 st 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	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 $\left(\frac{b}{c}\right)$ = Additional deduction for gifts of medicine made before March 22, 2017	610		
Québec			
a _____ x $\left(\frac{b}{c}\right)$ = Additional deduction for gifts of medicine made before March 22, 2017			
Alberta			
a _____ x $\left(\frac{b}{c}\right)$ = 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)			
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	660		
(enter this amount on line 315 of the T2 return)			
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
1 st prior year	2021-12-31			
2 nd prior year	2020-12-31			
3 rd prior year	2019-12-31			
4 th prior year				
5 th prior year				
6 th prior year*				
7 th prior year				
8 th prior year				
9 th prior year				
10 th prior year				
11 th prior year				
12 th prior year				
13 th prior year				
14 th prior year				
15 th prior year				
16 th prior year				
17 th prior year				
18 th prior year				
19 th prior year				
20 th prior year				
21 st 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
1 st prior year		2021-12-31	
2 nd prior year		2020-12-31	
3 rd prior year		2019-12-31	
4 th prior year			
5 th prior year			
6 th prior year*			
7 th prior year			
8 th prior year			
9 th prior year			
10 th prior year			
11 th prior year			
12 th prior year			
13 th prior year			
14 th prior year			
15 th prior year			
16 th prior year			
17 th prior year			
18 th prior year			
19 th prior year			
20 th prior year			
21 st prior year*			
Total			

* These gifts expired in the current year.



Corporation Loss Continuity and Application

Corporation's name	Business number	Tax year-end Year Month Day
Ellexicon Energy Inc.		2022-12-31

- 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 federal 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 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 federal Income Tax Act.

Part 1 – Non-capital losses

Determination of current-year non-capital loss

Net income (loss) for income tax purposes		-10,647,158	1A
Net capital losses deducted in the year (enter as a positive amount)			1B
Taxable dividends deductible under section 112 or subsections 113(1) or 138(6)			1C
Amount of Part VI.1 tax deductible under paragraph 110(1)(k)			1D
Amount deductible as prospector's and grubstaker's shares – Paragraph 110(1)(d.2)			1E
Employer deduction for non-qualified securities – Paragraph 110(1)(e)			1F
Subtotal (total of amounts 1B to 1F)			1G
Subtotal (amount 1A minus amount 1G; if positive, enter "0")		-10,647,158	1H
Section 110.5 or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions			1I
Subtotal (amount 1H minus amount 1I)		-10,647,158	1J
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)			1K
Current-year non-capital loss (amount 1J plus amount 1K; if positive, enter "0")		-10,647,158	1L
If amount 1L 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		92,452	1M
Non-capital loss expired (note 1)	100		
Non-capital losses at the beginning of the tax year (amount 1M minus line 100)	102	92,452	
Non-capital losses transferred on an amalgamation or on the wind-up of a subsidiary (note 2) corporation	105		
Current-year non-capital loss (from amount 1L)	110	10,647,158	
Subtotal (line 105 plus line 110)		10,647,158	1N
Subtotal (line 102 plus amount 1N)		10,739,610	1O

Note 1: A non-capital loss expires after **20 tax years** and an allowable business investment loss becomes a net capital loss after **10 tax years**.

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)

Other adjustments (includes adjustments for an acquisition of control)	150	
Section 80 – Adjustments for forgiven amounts	140	
Subsection 111(10) – Adjustments for fuel tax rebate		
Non-capital losses of previous tax years applied in the current tax year	130	
Enter line 130 on line 331 of the T2 return.		
Current and previous years non-capital losses applied against current-year taxable dividends subject to Part IV tax (note 3)	135	
Subtotal (total of lines 150, 140, 130 and 135)		1P
Non-capital losses before any request for a carryback (amount 1O minus amount 1P)		10,739,610 1Q

Request to carry back non-capital loss to:

First previous tax year to reduce taxable income	901	
Second previous tax year to reduce taxable income	902	
Third previous tax year to reduce taxable income	903	
First previous tax year to reduce taxable dividends subject to Part IV tax	911	
Second previous tax year to reduce taxable dividends subject to Part IV tax	912	
Third previous tax year to reduce taxable dividends subject to Part IV tax	913	
Total of requests to carry back non-capital losses to previous tax years (total of lines 901 to 913)		1R
Closing balance of non-capital losses to be carried forward to future tax years (amount 1Q minus amount 1R)	180	10,739,610

Note 3: Line 135 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	
Capital losses transferred on an amalgamation or on the wind-up of a subsidiary corporation	205	
Subtotal (line 200 plus line 205)		2A
Other adjustments (includes adjustments for an acquisition of control)	250	
Section 80 – Adjustments for forgiven amounts	240	
Subtotal (line 250 plus line 240)		2B
Subtotal (amount 2A minus amount 2B)		2C
Current-year capital loss (from the calculation on Schedule 6, Summary of Dispositions of Capital Property)	210	
Unused non-capital losses from the 11th previous tax year (note 4)		2D
Allowable business investment losses (ABILs) that expired as non-capital losses at the end of the previous tax year (note 5)		2E
Enter amount 2D or 2E, whichever is less	215	
ABILs expired as non-capital losses: line 215 multiplied by 2.000000	220	
Subtotal (amount 2C plus line 210 plus line 220)		2F

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.

Note 4: Determine the amount of the non-capital loss from the **11th previous tax year**, and enter the part of the non-capital loss that was not deducted in the **previous 11 years**.

Note 5: Enter the amount of the ABILs from the **11th previous tax year**. Enter the full amount on amount 2E.

Part 2 – Capital losses (continued)

Capital losses from previous tax years applied against the current-year net capital gain (note 6)	225	
Capital losses before any request for a carryback (amount 2F minus line 225)		2G
Request to carry back capital loss to (note 7):		
	Capital gain (100%)	Amount carried back (100%)
First previous tax year	951	
Second previous tax year	952	
Third previous tax year	953	
	Subtotal (total of lines 951 to 953)	2H
Closing balance of capital losses to be carried forward to future tax years (amount 2G minus amount 2H) (note 8)	280	

Note 6: To get the net capital losses required to reduce the taxable capital gain included in the net income (loss) for the current tax year, 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.

Note 8: Capital losses can be carried forward indefinitely.

Part 3 – Farm losses

Continuity of farm losses and request for a carryback

Farm losses at the end of the previous tax year		3A
Farm loss expired (note 9)	300	
Farm losses at the beginning of the tax year (amount 3A minus line 300)	302	
Farm losses transferred on an amalgamation or on the wind-up of a subsidiary corporation	305	
Current-year farm loss (amount 1K in Part 1)	310	
	Subtotal (line 305 plus line 310)	3B
	Subtotal (line 302 plus amount 3B)	3C
Other adjustments (includes adjustments for an acquisition of control)	350	
Section 80 – Adjustments for forgiven amounts	340	
Farm losses of previous tax years applied in the current tax year	330	
Enter line 330 on line 334 of the T2 Return.		
Current and previous years farm losses applied against current-year taxable dividends subject to Part IV tax (note 10)	335	
	Subtotal (total of lines 350, 340, 330 and 335)	3D
Farm losses before any request for a carryback (amount 3C minus amount 3D)		3E

Request to carry back farm loss to:

First previous tax year to reduce taxable income	921	
Second previous tax year to reduce taxable income	922	
Third previous tax year to reduce taxable income	923	
First previous tax year to reduce taxable dividends subject to Part IV tax	931	
Second previous tax year to reduce taxable dividends subject to Part IV tax	932	
Third previous tax year to reduce taxable dividends subject to Part IV tax	933	
	Subtotal (total of lines 921 to 933)	3F
Closing balance of farm losses to be carried forward to future tax years (amount 3E minus amount 3F)	380	

Note 9: A farm loss expires after **20 tax years**.

Note 10: Line 335 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**

(line 485 _____ – \$2,500) **divided by 2** 4A

Amount 4A or \$ 15,000 , whichever is less ► 4B

..... **2,500** 4C

Subtotal (amount 4B **plus** amount 4C) **2,500** ► 2,500 4D

Current-year restricted farm loss (line 485 **minus** amount 4D) **4E**

Continuity of restricted farm losses and request for a carryback

Restricted farm losses at the end of the previous tax year 4F

Restricted farm loss expired (**note 11**) **400**

Restricted farm losses at the beginning of the tax year (amount 4F **minus** line 400) **402** ►

Restricted farm losses transferred on an amalgamation or on the wind-up
of a subsidiary corporation **405**

Current-year restricted farm loss (from amount 4E) **410**

Enter line 410 on line 233 of Schedule 1, Net Income (Loss) for Income Tax Purposes.

Subtotal (line 405 **plus** line 410) ► 4G

Subtotal (line 402 **plus** amount 4G) 4H

Restricted farm losses from previous tax years applied against current farming income **430**

Enter line 430 on line 333 of the T2 return.

Section 80 – Adjustments for forgiven amounts **440**

Other adjustments **450**

Subtotal (total of lines 430 to 450) ► 4I

Restricted farm losses before any request for a carryback (amount 4H **minus** amount 4I) 4J

Request to carry back restricted farm loss to:

First previous tax year to reduce farming income **941**

Second previous tax year to reduce farming income **942**

Third previous tax year to reduce farming income **943**

Subtotal (total of lines 941 to 943) ► 4K

Closing balance of restricted farm losses to be carried forward to future tax years (amount 4J **minus** amount 4K) **480**

Note

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

Note 11: A restricted farm loss expires after **20 tax years**.



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	5A
Listed personal property loss expired (note 12)	500
Listed personal property losses at the beginning of the tax year (amount 5A minus line 500)	502
Current-year listed personal property loss (from Schedule 6)	510
Subtotal (line 502 plus line 510)	5B
Listed personal property losses from previous tax years applied against listed personal property gains	530
Enter line 530 on line 655 of Schedule 6.	
Other adjustments	550
Subtotal (line 530 plus line 550)	5C
Listed personal property losses remaining before any request for a carryback (amount 5B minus amount 5C)	5D

Request to carry back listed personal property loss to:

First previous tax year to reduce listed personal property gains	961
Second previous tax year to reduce listed personal property gains	962
Third previous tax year to reduce listed personal property gains	963
Subtotal (total of lines 961 to 963)	5E
Closing balance of listed personal property losses to be carried forward to future tax years (amount 5D minus amount 5E)	580

Note 12: A listed personal property loss expires after **7 tax years**.

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), tick 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	10,647,158			N/A		10,647,158
1st preceding taxation year 2021-12-31		N/A		N/A			
2nd preceding taxation year 2020-12-31		N/A		N/A			
3rd preceding taxation year 2019-12-31	92,452	N/A		N/A			92,452
4th preceding taxation year		N/A		N/A			
5th preceding taxation year		N/A		N/A			
6th preceding taxation year		N/A		N/A			
7th preceding taxation year		N/A		N/A			
8th preceding taxation year		N/A		N/A			
9th preceding taxation year		N/A		N/A			
10th preceding taxation year		N/A		N/A			
11th preceding taxation year		N/A		N/A			
12th preceding taxation year		N/A		N/A			
13th preceding taxation year		N/A		N/A			
14th preceding taxation year		N/A		N/A			
15th preceding taxation year		N/A		N/A			
16th preceding taxation year		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	92,452	10,647,158					10,739,610

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



Canada Revenue
Agency

Agence du revenu
du Canada

Tax Calculation Supplementary – Corporations

Schedule 5

Corporation's name	Business Number	Tax year-end Year Month Day
Ellexicon Energy Inc.		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.

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 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 406 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	630,093
Ontario special additional tax on life insurance corporations (from Schedule 512)		280	
		Subtotal (line 278 plus line 280)	630,093 5H
Total Ontario tax payable before refundable tax credits (amount 5G plus amount 5H)			630,093 5I
Ontario qualifying environmental trust tax credit		450	
Ontario co-operative education tax credit (from Schedule 550)		452	12,000
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)	12,000 5J
Net Ontario tax payable or refundable tax credit (amount 5I minus amount 5J)		290	618,093
(if a credit, enter amount in brackets) Include this amount on line 255.			

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 255 618,093

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.

Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
Ellexicon Energy Inc.		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	2 Identification number See note 1	3 Percentage assigned under the agreement
110	115	120
1. Ellexicon Energy Inc.		100.000
2. Ellexicon Corporation		
3. Ellexicon Group Inc.		
Total		100.000
Immediate expensing limit allocated to the corporation (see note 2)		125 1,500,000

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	Trans/dist before Feb 22/05	99,282,561						0
2.	1b	Building - Office	9,810,881	5,214,434					0
3.	2	GEN & DISTR < 1988	3,866,811						0
4.	8	Equipment	5,080,181	1,549,192	1,549,192				0
5.	10	Vehicles/Computer equipmet	2,409,658	2,455,255	2,455,255				193,124
6.	10.1	Vehicles#285 2008 ford escape	281						N/A
7.	10.1	Vehicles#284 2008 ford escape	282						N/A
8.	10.1	Vehicles#250 2009 silverado hybrid	409						N/A
9.	10.1	Vehicles#302 2009 ford escape	584						N/A
10.	12	Software		1,777,659	1,777,659				0
11.	13	Leasehold	29,936						0
12.	17	Yard improvements	207,938						0
13.	42	Fibre optics	1,483						0
14.	45	Computers>22-03-04<19-03-07	135						0
15.	47	Trans/dist acquired after Feb 22/05	197,693,377	67,316,380					179,041
16.	50	Computer Hardware and Systems	576,419	2,503,404	2,503,404				0
17.	43.2	Clean energy generation	4,634						0
18.	14.1	Eligible Capital Property	8,709,881						0
19.	95	WIP no depreciation taken	27,090,853			-4,760,208			0
		Totals	354,766,304	80,816,324	8,285,510	-4,760,208			372,165

	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 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) 225	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	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	Trans/dist before Feb 22/05		99,282,561					99,282,561	
2.	1b	Building - Office		15,025,315			5,214,434	5,214,434	15,025,315	
3.	2	GEN & DISTR < 1988		3,866,811					3,866,811	
4.	8	Equipment		6,629,373	1,549,192	1,500,000	49,192	49,192	5,129,373	
5.	10	Vehicles/Computer equipmet		4,671,789	2,455,255		2,455,255	2,455,255	4,671,789	193,124
6.	10.1	Vehicles#285 2008 ford escape		281					281	
7.	10.1	Vehicles#284 2008 ford escape		282					282	
8.	10.1	Vehicles#250 2009 silverado hybrid		409					409	
9.	10.1	Vehicles#302 2009 ford escape		584					584	
10.	12	Software		1,777,659	1,777,659		1,777,659		1,777,659	
11.	13	Leasehold		29,936					29,936	
12.	17	Yard improvements		207,938					207,938	
13.	42	Fibre optics		1,483					1,483	
14.	45	Computers>22-03-04<19-03-07		135					135	
15.	47	Trans/dist acquired after Feb 22/05		264,830,716			67,316,380	67,316,380	264,830,716	179,041
16.	50	Computer Hardware and Systems		3,079,823	2,503,404		2,503,404	2,503,404	3,079,823	
17.	43.2	Clean energy generation		4,634					4,634	
18.	14.1	Eligible Capital Property		8,709,881					8,709,881	
19.	95	WIP no depreciation taken		22,330,645					22,330,645	
Totals				430,450,255	8,285,510	1,500,000	79,316,324	77,538,665	428,950,255	372,165

Part 2 – CCA calculation (continued)

	1 Class number	Description	17 Net capital cost additions of AIP 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 AIP 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 AIP 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	20 CCA rate % See note 17	21 Recapture of CCA See note 18	22 Terminal loss See note 19	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	24 UCC at the end of the year (column 10 minus column 23)
					224	212	213	215	217	220
1.	1	Trans/dist before Feb 22/05				4	0	0	3,971,302	95,311,259
2.	1b	Building - Office	5,214,434	2,607,217		6	0	0	1,057,952	13,967,363
3.	2	GEN & DISTR < 1988				6	0	0	232,009	3,634,802
4.	8	Equipment	49,192	24,596		20	0	0	2,530,794	4,098,579
5.	10	Vehicles/Computer equipmet	2,262,131	1,131,066		30	0	0	1,740,857	2,930,932
6.	10.1	Vehicles#285 2008 ford escape				30	N/A	N/A	84	197
7.	10.1	Vehicles#284 2008 ford escape				30	N/A	N/A	85	197
8.	10.1	Vehicles#250 2009 silverado hybrid				30	N/A	N/A	123	286
9.	10.1	Vehicles#302 2009 ford escape				30	N/A	N/A	175	409
10.	12	Software				100	0	0	1,777,659	
11.	13	Leasehold				NA	0	0	29,936	
12.	17	Yard improvements				8	0	0	16,635	191,303
13.	42	Fibre optics				12	0	0	178	1,305
14.	45	Computers>22-03-04<19-03-07				45	0	0	61	74
15.	47	Trans/dist acquired after Feb 22/05	67,137,339	33,568,670		8	0	0	23,871,951	240,958,765
16.	50	Computer Hardware and Systems	2,503,404	1,251,702		55	0	0	2,382,339	697,484
17.	43.2	Clean energy generation				50	0	0	2,317	2,317
18.	14.1	Eligible Capital Property				5	0	0	504,410	8,205,471
19.	95	WIP no depreciation taken				0	0	0		22,330,645
		Totals	77,166,500	38,583,251					38,118,867	392,331,388

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 RegulationsThe 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 AIP, 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 AIP 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 AIP 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.

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
Ellexicon Energy Inc.		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.	Ellexicon Corporation			1					
2.	Ellexicon Group Inc.			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	Employee Future Liability	9,785,908			3,970,317	5,815,591
2	Sick Leave Liability	995,317		114,483		1,109,800
3						
	Reserves from Part 2 of Schedule 13					
	Totals	10,781,225		114,483	3,970,317	6,925,391

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.

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	2 Business number of associated corporations	3 Association code	4 Business limit for the year before the allocation \$	5 Percentage of the business limit %	6 Business limit allocated* \$
	100	200	300		350	400
1	Ellexicon Energy Inc.		1	500,000		
2	Ellexicon Corporation		1	500,000		
3	Ellexicon Group Inc.		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 $0.225\% \times (C - \$10,000,000)$. 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.



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 (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.

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 Elexicon Energy Inc.	Business number ■■■■ ■■■■ ■■■■	Tax year-end Year Month Day 2022-12-31

Part 2A – Determination of a qualifying corporation

Is the corporation a qualifying corporation? 101 Yes ☐ No ☒

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 ☒

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 ☒

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	Description of investment	Date available for use	Location used in Atlantic Canada (province)	Amount of investment
105	110	115	120	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

	<table><tr><th>Year</th><th>Month</th><th>Day</th></tr><tr><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td></tr></table>	Year	Month	Day										
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		6A												
Enter at amount 5E.														

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)	2,336,036	
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)*	2,336,036	350 2,336,036
Repayments made in the year (from line 560 on Form T661)		370
Total qualified SR&ED expenditures (line 350 plus line 370)		380 2,336,036

* 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 ☒ 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. **398**

If this amount is nil or negative, enter "0". If this amount is over \$40 million, enter \$40 million

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 = 10D

365

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	2,336,036	x	15 %	= 350,405 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)					350,405 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					610,135 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		610,135
Credit transferred on an amalgamation or the wind-up of a subsidiary	530				
Total current-year credit (from amount 11G)	540	350,405			
Credit allocated from a partnership	550				
Subtotal (total of lines 530 to 550)		350,405			350,405 12C
Total credit available (line 520 plus amount 12C)					960,540 12D
Credit deducted from Part I tax	560				
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)					12F
Credit balance before refund (amount 12D minus amount 12F)					960,540 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				960,540

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)	.....	960,540	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	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)	Amount from column 700 or 710, whichever is less
700	710	
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	B	C	D	E	F
Rate that the transferee used in determining its ITC for qualified expenditures under a subsection 127(13) agreement	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	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.)	Amount determined by the formula (A x B) – C	ITC earned by the transferee for the qualified expenditures that were transferred	Amount from column D or E, whichever is less
720	730	740		750	
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)	17D
Enter at amount 24A.	

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)	B Name of eligible trade	C Eligible salary and wages*	D Colonne C x 10 %	E Lesser of column D or \$ 2,000	
601	602	603	604	605	
Total current-year credit (total of column E) Enter on line 640 in Part 20.					19A

* 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 4,000 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 4,000

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) 4,000 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 4,000

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 20E.					21A

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)

23B

Enter at amount 24B.

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)

24C

Enter on line 602 of the T2 return.

– 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)

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)

25F

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)
	350,405				350,405
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		240,158			240,158
2020-12-31		268,004			268,004
2019-12-31		101,973			101,973
					*
					*
Total		610,135			610,135
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.



Taxable Capital Employed in Canada – Large Corporations

Corporation's name	Business number	Tax year-end Year Month Day
Ellexicon Energy Inc.		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	
Capital stock (or members' contributions if incorporated without share capital)	103	98,796,044
Retained earnings	104	62,951,902
Contributed surplus	105	77,871,812
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)		239,619,758 ▶ 239,619,758 A

Note:

Line 112 is determined by the formula $(A - B) \times C/D$ (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)	239,619,758	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	239,619,758

- 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)

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)	239,619,758 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** 239,619,758

Part 4 – Taxable capital employed in Canada

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

$$\text{Taxable capital for the year (line 500)} \quad 239,619,758 \times \frac{\text{Taxable income earned in Canada} \quad 610}{\text{Taxable income} \quad 1,000} = \text{Taxable capital employed in Canada} \quad 690 \quad \underline{\underline{239,619,758}}$$

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

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%)

Enter this amount at line 415 of the T2 return.

Shareholder Information

Corporation's name	Business number	Tax year-end Year Month Day
Ellexicon Energy Inc.	[Redacted]	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)	Business number or partnership account number (9 digits, 2 letters, and 4 digits. If not registered, enter "NR")	Social insurance number (9 digits)	Trust number (T followed by 8 digits)	Percentage common shares	Percentage preferred shares
	100	200	300	350	400	500
1	Ellexicon Corporation	[Redacted]			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						



Canada Revenue
Agency

Agence du revenu
du Canada

Schedule 508

Ontario Research and Development Tax Credit

Corporation's name	Business number	Tax year-end Year Month Day
Ellexicon Energy Inc.		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

Total eligible expenditures incurred by the corporation in Ontario in the tax year	100	2,420,763	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")		2,420,763	C
Eligible expenditures transferred to the corporation by another corporation	110		D
Subtotal (amount C plus amount D)		2,420,763	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	2,420,763	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	x	4.5 %	=	%	1
Number of days in the tax year	241					
Number of days in the tax year after May 31, 2016	242	x	3.5 %	=	%	2
Number of days in the tax year	243					

Subtotal (percentage 1 plus percentage 2) % 3

Repayments for a tax year that ends on or after June 1, 2016 and includes May 31, 2016 211 x percentage 3 % = 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 x 4.5 % = % 4

Number of days
in the tax year

Number of days
in the tax year
after May 31, 2016 x 3.5 % = % 5

Number of days
in the tax year

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) 2,420,763 x 3.5 % = **202** 84,727 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** 84,727 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 163,965 Y

ORDTC expired after 20 tax years 300 Z

ORDTC at the beginning of the tax year (amount Y minus amount Z) 305 163,965 AA

ORDTC transferred to the corporation on amalgamation or windup 310 BB

Current part of ORDTC 84,727 CC

(amount P, T or X in Part 3 whichever applies)

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) 84,727 ► 84,727 EE

ORDTC available for deduction (total of amounts AA, BB and EE) 248,692 ► 248,692 FF

ORDTC claimed ** GG
(Enter amount GG on line 416 on page 5 of Schedule 5, *Tax Calculation Supplementary – Corporations*)

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) 325 248,692 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			
1 st previous tax year	2021-12-31			.....	Credit to be applied	901
2 nd previous tax year	2020-12-31			.....	Credit to be applied	902
3 rd 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

Tax year of origin
(earliest tax year first)

Year	Month	Day
2019-12-31		
2020-12-31		
2021-12-31		
2022-12-31		

Credit available

41,094
64,802
58,069
84,727

Current tax year

Total (equals line 325 in Part 4) 248,692

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	LL	MM
	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	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)	Amount from column 700 or 710, whichever is less
	700	710	
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) _____

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** W

- 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)				AA

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			<u>1,854,817</u>
Add			
• payment of prior years' unpaid expenses (other than salary or wages)		+	
• prescribed proxy amount (Enter "0" if you use the traditional method)		+	<u>672,169</u>
• other additions		+	
	Subtotal	=	<u>2,526,986</u>
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		-	<u>106,223</u>
• 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	=	<u>2,420,763</u> I

Enter amount I on line 100 of Schedule 508.



Ontario Corporate Minimum Tax

Corporation's name	Business number	Tax year-end Year Month Day
Ellexicon Energy Inc.		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	817,067,740
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	121,041,680
Total assets (total of lines 112 to 116)		938,109,420
Total revenue of the corporation for the tax year **	142	515,768,272
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	14,299,855
Total revenue (total of lines 142 to 146)		530,068,127

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

Net income/loss per financial statements *		210	22,067,515
Add (to the extent reflected in income/loss):			
Provision for current income taxes/cost of current income taxes	220	500,936	
Provision for deferred income taxes (debits)/cost of future income taxes	222	768,322	
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	1,269,258	1,269,258 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	382		
383	384		
385	386		
387	388		
389	390		
	Subtotal		B
Adjusted net income/loss for CMT purposes (line 210 plus amount A minus amount B)		490	23,336,773

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 GIF1 (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** 23,336,773

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** 23,336,773

Amount from line 520 23,336,773 x $\frac{\text{Number of days in the tax year before July 1, 2010}}{\text{Number of days in the tax year}}$ 365 x 4 % = 1

Amount from line 520 23,336,773 x $\frac{\text{Number of days in the tax year after June 30, 2010}}{\text{Number of days in the tax year}}$ 365 x 2.7 % = 630,093 2

Subtotal (amount 1 **plus** amount 2) 630,093 3

Gross CMT: amount on line 3 above x OAF ** **540** 630,093

Deduct:

Foreign tax credit for CMT purposes *** **550**

CMT after foreign tax credit deduction (line 540 **minus** line 550) (if negative, enter "0") 630,093 D

Deduct:

Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)

Net CMT payable (if negative, enter "0") 630,093 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 *	1,031,529	G
Deduct:		
CMT credit expired *	600	
CMT credit carryforward at the beginning of the current tax year * (see note below)	1,031,529	620 1,031,529
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)		1,031,529 H
Deduct:		
CMT credit deducted in the current tax year (amount P from Part 5)		I
	Subtotal (amount H minus amount I)	1,031,529 J
Add:		
Net CMT payable (amount E from Part 3)	630,093	
SAT payable (amount O from Part 6 of Schedule 512)		
	Subtotal	630,093 K
CMT credit carryforward at the end of the tax year (amount J plus amount K)	670	1,661,622 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)	1,031,529	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)	630,093	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:	630,093	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)	12,000	
	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) S

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.



**ONTARIO CORPORATE MINIMUM TAX – TOTAL ASSETS
AND REVENUE FOR ASSOCIATED CORPORATIONS**

Name of corporation	Business Number	Tax year-end Year Month Day
Ellexicon Energy Inc.		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	Business number (Canadian corporation only) (see Note 1)	Total assets* (see Note 2)	Total revenue** (see Note 2)
	200	300	400	500
1	Ellexicon Corporation		114,187,267	10,551,802
2	Ellexicon Group Inc.		6,854,413	3,748,053
		450		550
	Total		121,041,680	14,299,855

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.



ONTARIO CO-OPERATIVE EDUCATION TAX CREDIT

Name of corporation	Business Number	Tax year-end Year Month Day
Ellexicon Energy Inc.		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	120 Telephone number including area code
	(905) 427-9870

Is the claim filed for a CETC earned through a partnership? **150** 1 Yes ☐ 2 No ☒

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 ☒ 2 No ☐

2. Was the corporation exempt from tax under Part III of the *Taxation Act, 2007* (Ontario)? **210** 1 Yes ☐ 2 No ☒

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** 24,584,000

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:

$$\text{Eligible percentage} = 15\% - \left[5\% \times \left(\frac{\text{amount on line 300} - \text{minus } \$400,000}{\$200,000} \right) \right]$$

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:

$$\text{Eligible percentage} = 30\% - \left[5\% \times \left(\frac{\text{amount on line 300} - \text{minus } \$400,000}{\$200,000} \right) \right]$$

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		B Name of qualifying co-operative education program	
400		405	
1.		Powerline Technician	
2.		Powerline Technician	
3.		Powerline Technician	
4.		Powerline Technician	
5.			

C Name of student		D Start date of WP (see note 1 below)	E End date of WP (see note 2 below)
410		430	435
1.			
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)		F2 Eligible expenditures after March 26, 2009 (see note 1 below)		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)
	450		452			
1.		10.000 %		25.000 %		15
2.		10.000 %		25.000 %		15
3.		10.000 %		25.000 %		15
4.		10.000 %		25.000 %		15
5.		10.000 %		25.000 %		

	G Eligible amount (eligible expenditures multiplied by eligible percentage) (see note 2 below)	H Maximum CETC per WP (see note 3 below)	I CETC on eligible expenditures (column G or H, whichever is less)	J CETC on repayment of government assistance (see note 4 below)	K CETC for each WP (column I or column J)
	460	462	470	480	490
1.		3,000			
2.		3,000			
3.		3,000			
4.		3,000			
5.					

Ontario co-operative education tax credit (total of amounts in column K) **500** **12,000 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:

$(\$1,000 \times X/Y) + [\$3,000 \times (Y - X)/Y]$

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	Ellexicon Energy Inc.															
Taxation Year	2022-01-01 to 2022-12-31															
Jurisdiction	Ontario															
BC	AB	SK	MB	ON	QC	NB	NS	NO	PE	NL	XO	YT	NT	NU	OC	
☐	☐	☐	☐	☒	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	
Corporation is associated	Y															
Corporation is related	Y															
Number of associated corporations	2															
Type of corporation	Canadian-Controlled Private Corporation															
Total amount due (refund) federal and provincial*	-12,000															

* The amounts displayed on lines "Total amount due (refund) federal and provincial" are all listed in the help. Press F1 to consult the context-sensitive help.

Summary of federal information

Net income	-10,647,158															
Taxable income																
Donations	430,587															
Calculation of income from an active business carried on in Canada																
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																
Balance of the general rate income pool at the end of the year																
Part I tax (base amount)																
Credits against Part I tax	Summary of tax															
Small business deduction	Part I															
M&P deductions	Part IV															
Foreign tax credit	Part III.1															
Investment tax credits	Other*															
Abatement/Other*	Provincial or territorial tax															
	618,093															
	Refunds/credits															
	ITC refund															
	Dividends refund:															
	– Eligible dividends															
	– Non-eligible dividends															
	Instalments															
	Other*															
	630,093															
	Balance due/refund (–)															
	-12,000															

* 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	
Charitable donations	430,587
Investment tax credits	964,540
Non-capital losses	10,739,610
Financial statement reserve	6,925,391

Summary of provincial information – provincial income tax payable

	Ontario	Québec (CO-17)	Alberta (AT1)
Net income	-10,647,158		
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***	630,093		
Instalments and refundable credits	12,000		
Balance due/Refund (-)	618,093		

Logging tax payable (COZ-1179)

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	
Ontario research and development tax credit – Schedule 508	248,692
Corporate minimum tax credit that can be carried forward over 20 years – Schedule 510	1,661,622

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	Taxable capital used to calculate line 120 in Schedule 65
Ellexicon Energy Inc.	230,528,891	230,528,891	239,619,758	239,619,758	230,528,891
Ellexicon Corporation	97,162,650	97,162,650	96,513,890	96,513,890	
Ellexicon Group Inc.	3,296,355	3,296,355	5,229,411	5,229,411	
Total	330,987,896	330,987,896	341,363,059	341,363,059	230,528,891

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 Forms CO-1029.8.33.CS and 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)
Ellexicon Energy Inc.	229,291,268
Ellexicon Corporation	
Ellexicon Group Inc.	
Total	229,291,268

Alberta

Corporate name	Taxable capital used to calculate the Alberta innovation employment grant (Schedule A29)
Total	

Other provinces

Corporate name	Capital used to calculate the Newfoundland and Labrador capital deduction on financial institutions (Schedule 306)	Capital used to calculate the Nova Scotia basic capital deduction on financial institutions (Schedule 353)
Total		

Five-Year Comparative Summary

	Current year	1st prior year	2nd prior year	3rd prior year	4th prior year
Federal information (T2)					
Taxation year end	2022-12-31	2021-12-31	2020-12-31	2019-12-31	
Net income	-10,647,158	1,764,740	30,314	-212,338	
Taxable income					
Active business income		1,764,740	30,314		
Dividends paid		12,793,750	9,869,812	6,936,558	
Dividends paid – Regular		12,793,750	9,869,812	6,936,558	
Dividends paid – Eligible					
LRIP – end of the previous year					
LRIP – end of the year					
GRIP – end of the previous year					
GRIP – end of the year					
Donations	430,587	423,718	378,452	108,455	
Balance due/refund (-)	-12,000	-23,158	-103,952	-220,314	
Line 996 – Amended tax return	☐	☐	☐	☐	☐
Loss carrybacks requested in prior years to reduce taxable income					
Taxation year end	2022-12-31	2021-12-31	2020-12-31	2019-12-31	
Taxable income before loss carrybacks	N/A	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 loss carried back to prior years	N/A	N/A			
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	2022-12-31	2021-12-31	2020-12-31	2019-12-31	
Adjusted taxable income before current year loss carrybacks*	N/A				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				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	2022-12-31	2021-12-31	2020-12-31	2019-12-31	
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	2022-12-31	2021-12-31	2020-12-31	2019-12-31	
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	2022-12-31	2021-12-31	2020-12-31	2019-12-31	
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-sensitive help.

Credits against Part I tax

Taxation year end	2022-12-31	2021-12-31	2020-12-31	2019-12-31	
Small business deduction					
M&P deductions					
Foreign tax credit					
Investment tax credit					
Abatement/other*					

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.

Refunds/credits

Taxation year end	2022-12-31	2021-12-31	2020-12-31	2019-12-31	
ITC refund				67,982	
Dividend refund					
– Eligible dividends					
– Non-eligible dividends					
Instalments	630,093	550,000	400,000	350,000	
Other*					

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.



Ontario

Taxation year end	2022-12-31	2021-12-31	2020-12-31	2019-12-31	
Net income	-10,647,158	1,764,740	30,314	-212,338	
Taxable income					
% Allocation	100.00	100.00	100.00	100.00	
Attributed taxable income					
Surtax					
Income tax payable before deduction					
Income tax deductions /credits					
Net income tax payable					
Taxable capital					
Capital tax payable					
Total tax payable*	630,093	531,138	298,928	201,463	
Instalments and refundable credits	12,000	4,296	2,880	3,795	
Balance due/refund**	618,093	526,842	296,048	197,668	

* 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.

Attached Notes – Summary

☐ Name of the cell GIFI code 1480 – Other current assets Form Sch. 1599 - Current assets

Unrealized gain on interest rate swap derivatives

asharma - 2023-06-13

Keep this note when rolling forward the file ☐

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 Ellexicon Energy Inc.	Enter one of the following: Business number (BN) Social insurance number (SIN)	
Tax year From 2023-01-01 to 2023-12-31 Year Month DayYear Month Day		
050 Total number of projects you are claiming this tax year: 6		
100 Contact person for the financial information	105 Telephone number/extension (905) 427-9870	110 Fax number (905) 668-6598
115 Contact person for the technical information	120 Telephone number/extension (905) 427-9870	125 Fax number (905) 668-6598

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

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)

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 ☒ 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)

• 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	+	1,440,930
b) Specified employees for work performed in Canada	305	+	
Subtotal (add lines 300 and 305)	306	=	1,440,930
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	+	368,495
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	=	1,809,425

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)

Amount from line 380 420 1,809,425

Deduct

• provincial government assistance for expenditures included on line 380	429	–	60,750
• 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	–	
• sale of SR&ED capital assets and other deductions	440	–	
Subtotal (line 420 minus lines 429 to 440)	442	=	1,748,675

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	=	1,748,675

• Deduction claimed in the year 460 – 1,748,675
(Corporations should enter this amount on line 411 of schedule T2SCH1)

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		1,809,425
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	+	744,764
• qualified expenditures transferred to you (see note 3) (complete Form T1146**)	508	+	
Subtotal (add lines 492 to 508)	511	=	2,554,189
Deduct			
• provincial government assistance	513	–	86,817
• 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	–	73,699
• 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	=	2,393,673
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	=	2,393,673

* 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 +	1,440,930

Deduct

Bonuses, remuneration based on profits, and taxable benefits that were included on line 810	812	—	86,813

Subtotal (line 810 minus 812)	814	=	1,354,117

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	=	1,354,117

Section B – Prescribed proxy amount (PPA)

Enter	55 % of the salary base (line 818)	820	=	744,764

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	Cost of materials in the tax year	Contract expenditures for SR&ED performed on your behalf in the tax year	Overhead and other expenditures in the tax year*
		(Total of lines 306 to 309)	(Total of lines 320 and 325)	(Total of lines 340 and 345)	(total of line 360, if applicable)
1	P1: Distribution system automation	263,778			
2	P2: Operations Information Systems improvements	346,448			
3	P3: System planning & analysis for improvements to the distr	366,819		262,682	
4	P4: Developing and applying Smart Grid (SG) concepts, techni	328,583		105,263	
5	P5: Mobile Workforce Management System (MWFMS) design, devel	50,546			
6	P6: Improved Engineering project Design/Analysis through Cus	84,756		550	
Total		1,440,930		368,495	

Part 7 – Additional information

Expenditures for SR&ED performed by you in Canada (line 380 minus lines 307, 309, 340, 345, and 370)

605

1,440,930

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

☒ Experimental development

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

Scientists and engineers	632	16
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 \$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?

- ☒ 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. Under separate cover by Deloitte LLP					
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, Cynthia Chan, 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 2024-06-27 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

Cynthia Chan

170

2024-06-27

Name of authorized signing officer of the corporation, or individualSignatureDate

175

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

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)

P1: Distribution system automation

202

Project start date

2015-05

YearMonth

204

Completion or expected completion date

2025-12

YearMonth

206

Field of science or technology code
(See guide for list of codes)

2.02.01

Electrical and electronic engineering

Project claim history

208

☒ 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

☒ No

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

220

Names of the businesses

1

221

BN

Section B – Project descriptions

242

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

1.

The obstacles to be resolved were all connected with completing the

2.

installation of the balance of the U/G switches, testing them individually

3.

and then networking, and integrating their operations/communications within

4.

Ellexicon's SCADA system. As the items involved were all new to Ellexicon and

5.

had to be installed on, within or adjacent to the existing facilities,

6.

physical limitations and accessibility issues were constraints in practically

7.

every case. More specifically the obstacles were:

8.

(1) Determining, for the U/G switch installations yet to be finished, the

9.

site specific design modifications to the base design used for the first

10.

partially completed installation, taking into consideration, as needed,

11.

locational and surrounding terrain constraints, potential foundation redesign

12.

for below grade installation, possible provision of a foundation for the low

13.

voltage control unit to be located above grade, and adding both drainage and

14.

sump pumping capability to deal with anticipated water incursions.

15.

(2) Understanding why any installed U/G switch unit malfunctions and

16.

developing solutions to eliminate any re-occurrence.

17.

(3) Integrating all U/G switches and the O/H switches with the SCADA system

18.

with intelligence that control the operation of the U/G units and O/H

19.

switches, with reliable, fail-safe communications.

20.

(4) Deciding what spare parts and modules should be provided to support the

21.

pilot after it goes live.

22.

(5) Conceiving and planning how the DAS pilot would be brought into service

23.

after the balance of the 18 switches were installed, and their operation

24.

verified on a standalone basis.

25.

(6) Establishing what monitoring and reporting was required to establish the

26.

reliability performance improvements that were actually achieved its

27.

operation.

28.

While Ellexicon was used to operating switches remotely through its SCADA

29.

system tool, it would be a new mode of network operations for local automated

30.

switch operation to be performed on its own without any centralized

31.

intelligence or SCADA intervention. Radio survey and placement of Radios and

32.

RTU were essential part of the project to attempt to meet the SCADA

33.

communication requirement. However, communication to SCADA was a challenge

34.

due to obstructions and an alternate solution was sought. Ongoing development

35.

challenges would extend as new devices were installed across all Ellexicon

36.

districts along with new communication access points to attempt to enable

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

37. reliable communications - Energizing and testing would remain ongoing with
38. technological obstacles persisting and further lessons to be learned.

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. Previously, Ellexicon had made detailed installation designs for the set of
2. automated intelligent O/H switches and U/G switches and their installation &
3. testing on a standalone basis. Ellexicon had also designed & implemented the
4. IT infrastructure arrangements and radio communication system using a
5. separate IP network, after deciding how to route information from O/H switch
6. to U/G switchgear and vice versa, and on communications with the SCADA system
7. master. Software was upgraded and tested under various system loading
8. scenarios. Ellexicon has continued work for the firmware upgrade.
9. Communication upgrades and testing of the field devices to meet the software
10. and self-healing system requirements also continued. The process of creating
11. new standard operating procedures for line and the system control center;
12. with a specific focus on in-fault and post-fault analysis has extended. SOP's
13. continued to be developed to encompass all Districts. Development also
14. continued with devising methods for improvement to limitations in radio
15. communication between field devices and the SCADA master.
16. DAS pilot efforts continued. However, component replacements remain
17. necessary to progress to the next stage in which the DA would be capable of
18. running on its own and opening and closing switches based upon distribution
19. network grid events. Testing on a standalone switch basis continued to
20. verify communications linkages with the SCADA system. This work had led to a
21. decision to replace a below grade switchgear with a pad mounted switchgear at
22. grade. Efforts towards conducting the DA pilot to go live continued without
23. this unit in place. New pad mounted switch gear unit was installed and we
24. continued to attempt to develop a self-healing system configuration. However,
25. the gear is now integrated into SCADA and radio surveys continue to be
26. undertaken as part of the [REDACTED] design.
27. We continued work on SCADA programming for the self-healing system, so that
28. if there is a power-loss, then the switch will identify there is a power
29. loss, and the power will re-route automatically. We also continued working
30. on the SMART portion of this pilot trial all year. The system went live for
31. testing in earlier fiscal periods, and while it appeared to work well; the
32. self-healing switches had required additional development. Reprogrammed the
33. self-healing team using most updated technology to achieve better
34. functionalities. This upgrade allows Ellexicon engineers to remotely control
35. and reconfigure/ reroute the system devices without going into the field.
36. While the primary development work is now considered complete there have been
37. observed failures with incremental development activity ongoing
38. We continued working on the SMART portion of the pilot trial. We further
39. continued with ongoing reprogramming activities based on system changes, as a
40. part of continuous improvement where the feedback from the prior trial
41. results acted as an input for subsequent improvement.
42. To track the improvements and the benefits of the changes (due to
43. reprogramming); we performed the required testing's using simulation
44. software. Testing continued on the functionality of Automatic Restoration
45. System and approved by Ellexicon. Failures were noted, modifications made and
46. testing repeated. The self-healing system continued to be revised to attempt
47. to accommodate newly installed switches and a future extension of the scope
48. of functionality. This work is now considered complete with periodic re-
49. examination conducted as failures periodically occur.
50. Other work included adding radio repeaters and revising switch antenna
51. heights to attempt to avoid communication losses of SCADA. A radio survey was
52. subsequently conducted and modifications. Revisions to procedures and
53. standards will remain ongoing. Further analysis was conducted and completed

T661 E (20)

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)
54.	for radio traffic concerns in specific regions with some minor improvement
55.	activities underway.
56.	Development was also undertaken on Autotowns Micro grid; attempts to
57.	Implement new protections on Automation on Sub-stations; Fault circuit
58.	detectors for sub-stations; Stations Upgrades - from analog to digital
59.	devices and then incorporation into the system; New Batteries / Rectifiers -
60.	with data and information used to detect faults; and Stations and Battery
61.	upgrades.

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 advancement sought was to increase the understanding and the application
2.	know-how; to implement distribution automation system (DAS) concepts with
3.	intelligent switches to improve reliability performance in an area whose
4.	performance was continuing to deteriorate. VCI wanted to use groups of
5.	switches, incorporating automatic sensing and operation, to sense/isolate
6.	faults, and then restore power to unaffected parts of the local network.
7.	Ellexicon had examined the issues, challenges and obstacles associated with a
8.	DAS pilot for the 13.8kV O/H lines and U/G cables on the 4-feeders. Its
9.	analysis indicated an improvement potential to go to 24.4 minutes from 72.3
10.	minutes/customer/year. Other notable achievements included: S&C self-healing
11.	system - firmware upgrade, reprogramming SCADA redundancy and back up control
12.	room as well as mobile SCADA control room. Further advancements were achieved
13.	with [REDACTED] software and system self-configurable based solutions;
14.	The ability to accommodate future addition of the switches in the self-
15.	healing system; the knowledge of repeater locations, orientations, and
16.	configurations; and improvement methodologies to attempt to achieve greater
17.	reliability of communication paths. We also gained knowledge of Autotowns
18.	Micro grid; Implemented new protections on Automation on Sub-stations; added
19.	Fault circuit detectors for sub-stations; and other Stations Upgrades. Analog
20.	to digital device conversions methods were tested and data and information
21.	used to enhance fault detection.

Section C – Additional project information				
Who prepared the responses for Section B?				
253	☒ Employee directly involved in the project	254	Name [REDACTED]	
255	☐ Other employee of the company	256	Name	
257	☒ External consultant	258	Name Deloitte LLP	
		259	Firm Deloitte LLP	
List the key individuals directly involved in the project and indicate their qualifications/experience.				
260	Names		261	Qualifications/experience and position title
1	[REDACTED]		[REDACTED]	
2	[REDACTED]		[REDACTED]	
3	[REDACTED]		[REDACTED]	
265	Are you claiming any salary or wages for SR&ED performed outside Canada?		☐ Yes	☒ No
266	Are you claiming expenditures for SR&ED carried out on behalf of another party?		☐ Yes	☒ No
267	Are you claiming expenditures for SR&ED performed by people other than your employees?		☐ Yes	☒ No

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

268	Names of individuals or companies	269	BN
1			

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

Part 2 – Project information (continued)

Project number **2**

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)			
P2: Operations Information Systems improvements			
202 Project start date	204 Completion or expected completion date	206 Field of science or technology code (See guide for list of codes)	
2015-01	2026-08	2.02.01	Electrical and electronic engineering
Year Month Year Month			
Project claim history			
208	☒ 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 ☒ 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)	
1. Interfacing the OMS tool to various other systems, remained a concern. The	
2. OMS/GIS interface required additional testing and experimentation with	
3. continued incremental improvements in communication by interfacing with	
4. media, phone systems and email systems. The improvement contribution from	
5. using an Enterprise Service Bus (ESB) and whether one was worth implementing	
6. remained uncertainty. While progress continued on the enhancement of the GIS	
7. to attempt to improve performance, as well as to create operating geo-	
8. schematics directly from the GIS, uncertainties in the understanding of how	
9. to interface two distinctly different GIS systems and in manipulating	
10. schematic engines persisted. Continuing from previous periods, updates to	
11. existing applications were required, ■■■■■■■■■■	
■■■■■■■■■■ and various other enhancements. The DMB	
13. (Digital Map Board) application provided some unique challenges in requiring	
14. maps at different scales and pixel density to be displayed on a single	
15. continuous interface. Ellexicon attempted to overcome many of these challenges	
16. by caching at various resolutions, reconfiguring schematics, and devising	
17. software tools to attempt to allow for quick high-quality zooming, leading to	
18. the conversion of almost all distribution level maps. However, there are	
19. still some challenges with regards to operating level maps. The pixel density	
20. of the hardware itself has become an issue. Ellexicon has tried multiple	
21. hardware configurations in an attempt to resolve this, so far with no	
22. success. Work continued in attempts to optimize such map services.	
23. Specifically, a new caching scheme was devised for incremental caching such	
24. that the entire map is cached into bitmaps and served to consumers (similar	
25. to web mapping applications), but then changes were incrementally cached on	
26. demand when detected. While still in development, this new mechanism, along	
27. with the new vector caching functions has been very promising but remain	
28. unproven. There are still issues to overcome how to cache layers incompatible	
29. with vector caching such as annotations. There is currently no known industry	
30. solution for this problem when using a hybrid GIS systems. Many of these	
31. challenges persisted and were amplified by Ellexicon's move from a single	
32. control room to three, and required ongoing experimentation with digitizing	
33. previous workflow models include new Advanced Distribution Management System	
34. (ADMS) architectures. These challenges continued into FY2023 and with the	
35. intricacies involved to maintain the system, we identified system	
36. sustainability constraints and began exploring alternative concepts to	

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

37. provide the system control centre with an operating map.

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. Progress on the new GIS application recommenced with the aging [REDACTED]
2. browser application functional such as [REDACTED]
[REDACTED] and adding support for vector tiles. Because the GIS vendor
4. [REDACTED] behind the application has been deprecated, these features
5. had to be manually ported back to the application by Ellexicon. The
6. [REDACTED] expired and to limit operational impact, Ellexicon
7. continued to develop a unique workaround concept that required users to
8. modify settings. Trials continued to be conducted with the underlying GIS
9. software to improve performance.
10. Enhancements to the schematics solution included adding the ability to have
11. multiple schematic diagrams for a single area to accommodate different
12. switching maps. This involved engineering and use of undocumented features in
13. the Esri Schematics schema. This work continued with the addition of a new
14. custom built and designed app to replace the paper maps in the system control
15. centre with a 'digital map board', with deployment and field testing.
16. Migration of existing schematics was continued, with the porting of a
17. switching map (44kV Ajax Pickering switching map), which presented several
18. new problems due to the difference in scaling and the geographic overlap with
19. the existing distribution maps. The existing schematics had to be migrated
20. over to suite the new GIS data model that was the product of the GIS
21. consolidation project. Work extended to 27.6kV maps, 13.8kV maps and 44kV
22. maps, now merged with Whitby data. In FY2023, schematics continued to be
23. updated as incremental changes were identified and a fully digital process
24. leveraging our [REDACTED] application will be tested in the next fiscal
25. period.
26. The first version of the Digital Map Board was successfully launched and work
27. continued to enhance and expand its use. Almost all distribution-level paper
28. maps were ported to the new system and work begun on migrating switching maps
29. as well, though new challenges arose from that work as described above. A new
30. version to the digital map board was developed and brought a [REDACTED]
[REDACTED] the GIS data and the digital map board, enabling the
32. digital map board [REDACTED]
[REDACTED]. Extensive ADMS Work continued to be undertaken. In
34. FY2022, ADMS Phase 1 - Outage Management System (OMS) went into service.
35. However, [REDACTED]
[REDACTED] the system was not operationalized, the
37. resolution was identified through a version upgrade and was tested in FY2023.
38. Ellexicon also began development on ADMS Phase 2 - Distribution Management
39. System (DMS) to understand the data and telemetry requirements needed to run
40. engineering analysis such as load flow.
41. CYME development - Following the GIS consolidation, the existing tools used
42. to export to CYME were no longer compatible with the new data model. In an
43. attempt to create a reusable export from the GIS, Ellexicon began to test a
44. solution that would export the GIS data to a CIM-compliant model, which could
45. be then imported by the CYME software. After multiple iterations and some
46. development effort, it was found that the Common Information Model (CIM) was
47. not standardized or well documented enough to be imported successfully by
48. CYME. This effort was subsequently abandoned, and the CYME gateway was
49. instead updated to conform to the new data model. In FY2022, final gateway
50. modifications were made, and the concept tested in FY23. Underlying data
51. issues with the GIS database prevented the full implementation of CYME in
52. FY23. GIS data cleanup has been planned for FY24.
53. The GIS consolidation was a major initiative where Ellexicon studied each of
54. the former utilities' data models, and developed a new, future-friendly GIS

T661 E (20)

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)

55. data model to Ellexicon Energy. The migration of the existing data from the
56. two legacy systems continues to be catalogued, cleansed, and mapped to the
57. new data model in a scripted execution that was iteratively performed, tested
58. and refined. All interfaces to the various systems (with the exception of
59. CYME) also continue to be rewritten (eg. [REDACTED]) and tested
60. for faults. Harmonization efforts to multiple control rooms also remain
61. ongoing.
62. Digitized movement forms - In addition to the highlighted activities,
63. development was started on a new digital movement form application to allow
64. asset information to be collected by field crews on mobile devices (iPhone).
65. This application was built in house in order to allow the future
66. implementation of advanced functions such as using machine vision to read
67. nameplate information. The first phase of application was undertaken with
68. advanced functionality, such as machine vision, to follow in subsequent
69. years. Extensive cyber security concepts continue to be explored.

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. We have continued to incrementally add capability in the interface between an
2. ESRI (new) GIS system with the (existing) [REDACTED] system - grafting two
3. distinct, somewhat incompatible GIS systems together in order to take
4. advantage of the strengths of each. We also successfully developed, tested
5. and deployed to public beta a customer outage notification system that now
6. interfaces not only with twitter, email, and web systems but also directly to
7. customers via SMS and text to speech voice calls.
8. Development is nearly complete on a rebuild of the [REDACTED] which
9. will enable us to reuse the vast majority of client-side code to redeploy to
10. IOS and Android in the future.
11. In addition, the development of a new robust digital map board application
12. allowed us to gradually replace paper mapping processes with more reliable,
13. efficient and robust digital processes.
14. Ellexicon unfortunately had to abandon much of the work performed on the
15. rebuild of the GIS viewer, however the development effort was not wasted:
16. much of the inking and mapping code was ported to the new Digital Map Board
17. (DMB) application, which was launched successfully in the system control
18. centre. Because the DMB application requires close to 100% up-time,
19. improvements have been incrementally added to the communications module to
20. address synching issues, many of which were discovered during a 'disaster'
21. recovery scenario in the main office.
22. With the continued incremental improvements to the DMB and the GIS caching,
23. the process has become more streamlined and is now ready to be passed on as a
24. regular part of business to non-technical users.
25. Ellexicon continued to attempt to implement an export to the common
26. information model (CIM), an emerging industry standard data exchange format,
27. from its new consolidated GIS. While the CIM proved to be underdeveloped with
28. third party partners, Ellexicon laid the framework to perform such an export
29. in the future. In addition, a new GIS data model was designed and migrated to
30. that will enable future use of more advanced tools such as an ADMS. Knowledge
31. was gained on cyber security concepts specific to our systems. Cyber security
32. development and system considerations continue to be explored.
33. Specific new insight gained and lessons learned in FY23:
34. The data model within the ADMS leverages coordinate mappings. This proved to
35. be a challenge as Ellexicon's consolidated data model is spatial based. As a
36. result, the network model build between GIS Data Model and ADMS did not
37. translate one to one and impacted visual layout of annotations in ADMS. As a
38. result, Ellexicon explored automating scripts to adjust the annotations, this
39. continues to be under development.

Section C – Additional project information

Who prepared the responses for Section B?

253	☒ Employee directly involved in the project	254	Name	
255	☐ Other employee of the company	256	Name	
257	☒ External consultant	258	Name	259 Firm
			Deloitte LLP	Deloitte LLP

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

260	Names	261	Qualifications/experience and position title
1			
2			
3			

265	Are you claiming any salary or wages for SR&ED performed outside Canada?	☐ Yes	☒ No
266	Are you claiming expenditures for SR&ED carried out on behalf of another party?	☐ Yes	☒ No
267	Are you claiming expenditures for SR&ED performed by people other than your employees?	☐ Yes	☒ No

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

268	Names of individuals or companies	269	BN
1			

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

Part 2 – Project information (continued)

Project number 3

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)

P3: System planning & analysis for improvements to the distr

202

Project start date

2012-01

YearMonth

204

Completion or expected completion date

2025-08

YearMonth

206

Field of science or technology code
(See guide for list of codes)

2.02.01

Electrical and electronic engineering

Project claim history

208

☒ 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

☒ 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)

1.

Project Title: P3: System planning & analysis for improvements to the

2.

distribution network

3.

Ellexicon faces a number challenges with regards to its distribution network.

4.

These challenges include: Its network's ability to accept the connection of

5.

new residential, commercial and industrial loads; how to reinforce or augment

6.

the network based on existing loading, and deteriorating reliability issues,

7.

to create longer term plans for servicing future expected growth areas and

8.

reliability performance improvements; making proper load switching decisions

9.

for station outages due to maintenance given existing loading conditions,

10.

and; its network's ability to accept FIT and micro-FIT sustainable generation

11.

connection applications approved by the OPA. At the core of resolving all

12.

these challenges is the need for an accurate picture/model of the network in

13.

its current state. Such models are invaluable to investigate and accurately

14.

assess the impact of accommodating any of the above proposed changes in

15.

network capability and capacity. Even with an existing set of models of the

16.

configuration carried over from prior years, a specific challenge is to meet

17.

the essential need to keep the models up-to-date so that they continue to

18.

reflect the status quo. Ideally, GIS downloads, either manually or

19.

automatically, facilitate model updating. Ellexicon relies on manual updates.

20.

If updating is not done, the results of studies and simulation runs in terms

21.

of impacts of proposed changes is compromised. Even if up-to-date models are

22.

available for simulation studies to investigate capacity/capability issues,

23.

another important factor is that the network improvement proposals (that

24.

results from system planning and analysis activities) have to be both

25.

technically sound and cost effective. This challenge usually means that all

26.

the solution candidates identified as possibilities need to be investigated

27.

in detail before a preferred solution emerges from the modeling and

28.

simulation efforts that identified them in the first place. Load forecasting

29.

is necessary to attempt to resolve uncertainties in advance. With older

30.

areas, when modeling and simulation is being used to identify options from

31.

improving reliability performance, the other factor that is incorporated in

32.

the analysis is that of refurbishment or replacement of the existing

33.

infrastructure. Further challenges included: CYME integration so that we have

34.

one model for the entire Ellexicon service territory remains an ongoing

35.

challenge; Improving the maturity of load forecast models beyond excel-based

36.

platforms; There is a need to develop a technology-based tool to improve the

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

37. visibility of the condition and health of the distribution network; and, in
38. addition to the software, we also need field hardware devices in remote areas
39. so that we can have more effective control on the far stretch network to
40. improve reliability. We also would work with partners on an innovation
41. efforts for LDC Tomorrow. The scope would involve devising and testing
42. advanced analytical techniques such as machine learning algorithm on the
43. field data collected from Intellirupters and Tripsavers to perform fault
44. localizations.

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. FY23 Work Performed:
2.
3. As per the previous fiscal periods, modeling and simulation efforts continued
4. on improving the configuration and performance of the network. The area
5. model was first updated before simulations were run. The area has the most
6. complex network arrangements with deteriorating infrastructure and
7. reliability performance. Unjacketed, direct buried cables with brittle
8. neutrals are failing and these failures continued to be the driver of
9. planning and analysis efforts to consider adding/refurbishing transformer
10. stations, cables, and other grid assets.
11. The existing system models were used to investigate potential improvements in
12. the Belleville, Brockville and Clarington areas of Ellexicon's service
13. territory. In our Whitby Service Area Ellexicon completed an electrical system
14. model to enable load flow calculations to be conducted and identified
15. potential improvement opportunities. Work continued into FY2023 and will
16. extend into FY2024 on a new consolidated model with advanced features that
17. will enable Ellexicon to conduct more accurate load flow studies using smart
18. meter data of individual customers.
19. We also continued work on developing new load forecasts. This involved
20. ongoing analysis of connected generation sites with Micro-Gen projects
21. (<10kW) as part of the model enhancement project. Further work is planned
22. with larger and more complex solar PV and BESS projects in Belleville, Ajax,
23. etc. In FY23, incorporating all DER >10KW and Micro-Gen < 10KW projects, were
24. all successfully integrated into the consolidated system model although while
25. this work was completed, the full capabilities of the model have yet to be
26. realized. This will continue to 2024 to achieve this realization.
27. A new Load Forecast Model [Metsco assisted in the activity] was initiated to
28. attempt to overcome ongoing uncertainties of future variations of
29. distribution voltages and the network to industrial, commercial, and
30. residential end-customers with the main objective to supply the electrical
31. load to its customers safely, reliably, and economically. To meet the normal,
32. abnormal or emergency load requirements of the area, the present capacities
33. of the feeders, transformers, switchgears and substations would be analyzed
34. and reliable future plans for upgrades to the power system developed. Updates
35. to the Load Forecasting Model remain ongoing and will extend into FY24 with
36. METSCO-BBA.
37. In order to complete comprehensive system study of the existing Ellexicon grid
38. (i.e system thermal loading, short circuit capacity, load flow and system
39. voltage profile, power quality, protection and control, upstream Hydro One
40. requirements, metering etc...), we continued to construct accurate
41. distribution system model using CYME software. Then the generators also
42. needed to be accurately modelled and studied. A fine balance must be
43. established between ensuring the safety of operation and accommodating
44. customer requirements. The volume and complexity of these studies remained a
45. challenge. CYME modelling work remains in progress.
46. Continuing from previous periods we performed further work to predict
47. responses under fault conditions. We also continued with our analysis for

T661 E (20)

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)

48. creating new applications of the generators. Special attention was paid to
49. develop the predicted response of these generators under fault conditions;
50. where each application required thorough analysis of the impacts to system's
51. reliability and the stability of the supply voltage. Other ongoing activities
52. included: Protection settings and coordination studies; Developed and
53. programmed for SCADA monitoring and control; and P&C work on renewable
54. generation alternatives.
55.
56. TripSavers as part of Grid Modernization Strategies to Enhance Reliability:
57. In 2023, we deployed several TripSavers on problematic laterals on Worst
58. Performing Feeders in order to reduce sustained outages and momentary
59. interruptions for Ellexicon customers, hence improving reliability. This
60. activity continues into 2024 as per a phased approach to target more feeders.
61. . ADMS: ADMS advanced
62. functionality and integration testing with the system control center was
63. completed in 2023. In 2024, we will move from testing phase to production
64. with the execution of training. Currently ADMS is being used as a simulation-
65. training tool for system operators.
66. Hyperion: Initiated activities to install monitored underground egress cables
67. at the substation with Hyperion (vendor) - These cables provide near-real-
68. time monitoring data which can be used to proactively detect problems and
69. anomalies within the cables - In 2023, focus was on planning activities -
70. These cables will be in-service in 2024. Modernization of Protection at Aging
71. Ellexicon Substations: Adding or upgrading existing reclosers to vacuum
72. reclosures/breakers with electronic relay control modules allowing for more
73. sophisticated feeder protection and asset protection schemes while increasing
74. reliability.
75. New Processes & Standards for Grid Modernization: Introducing upgrades to
76. SCADA, including upgrading manual load break (LIS) switches to SCADA-
77. motorized LIS switches allowing real-time remote operation of grid by power
78. system operators. These will also serve as part of future Distribution
79. Automation strategy. Moving forward, we will introduce a new standard
80. practice that all major feeders including sub-transmission feeder design
81. should include these SCADA-motorized LIS switches at all open points for
82. rapid sectionalization, load transfer and isolation capabilities, thereby
83. improving reliability.
84. Enhancement to Asset Management Analytics: In 2023, Ellexicon continued to
85. advance their AM practice through the continued improvement and updates to
86. their Asset Condition Assessment (ACA) framework, thereby producing more
87. accurate health index (HI) results, which represent a foundational input to
88. support decision-making within the utility. Introduction & Planning for CFCI
89. Deployments: In 2023, we explored various technologies for Communicating
90. Fault Circuit Interrupters (CFCI) as part of Ellexicon's broader Grid
91. Modernization strategy. The plan in 2024 is to finalize a standard and deploy
92. CFCI's within Ellexicon's Whitby Rate Zone.

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. There are, in general, a set of proposed improvements to the current
2. configuration and facilities of a distribution network - across an
3. unconsolidated service territory - that have been developed for each specific
4. area and district from the modeling and analysis studies undertaken with a
5. specialized simulation S/W tool. These proposed improvements are typically
6. the results of analyzing aspects such as: feeder layout in an area to
7. determine new transformer locations to maximize operational flexibility and
8. minimize losses; servicing requirements of a new proposed development to
9. understand the best connection plans to the network such as that for the
10. proposed Seaton community investigated last year through multiple analyses of

T661 E (20)

11. voltage levels and fault currents to estimate increased loading and supply
12. options with existing and possible new feeders; substation loading across
13. Ellexicon's service territories to assess its network's operability with
14. certain substations being off-line; The network's ability to handle
15. new/expanded commercial/industrial loads; evaluation and impact analysis of
16. new distributed/embedded generators being proposed to feed into the Ellexicon
17. network as a consequence of the Green Energy and Green Economy Act (GEGEA)
18. Feed-in-Tariff (FIT) and micro-FIT programs; and examining how areas with
19. older, aging infrastructure can be reconfigured or reinforced using
20. predictive modeling/forecasting to mitigate the impacts of possible
21. substation failures during peak load times on customer service and system
22. stability, to prepare contingency operational plans to prepare Ellexicon's
23. response in the event of failures, and to reduce the incidence of outages.
24. With a set of models for all sections of its service territory - from the
25. 44kV through 4.16kV levels - of its existing configurations, Ellexicon has the
26. basis to investigate potential changes (via load forecast modelling) to
27. attempt to deal with, for example, the impact of load changes, potential
28. solutions to segments of the network with chronic problems, in order to
29. improve its distribution system performance from the perspectives of
30. reliability, balanced loading, level of losses and delivered power quality.
31. The volume and complexity of these studies remain a challenge and we continue
32. to gain experience to accurately assess or distribution network. Specific new
33. insights / lessons learned in FY23 included: new station upgrade concepts to
34. improve reliability and system contingencies; Devising connecting concepts
35. for new net metering applications for solar PV and BESS; energizing concepts
36. stations; and development on plans for new DESN stations and adding new
37. feeder breakers, intellerupters, and tripsavers.

Section C – Additional project information

Who prepared the responses for Section B?

253 ☒ Employee directly involved in the project

254 Name

255 ☐ Other employee of the company

256 Name

257 ☒ External consultant

258 Name
Deloitte LLP

259 Firm
Deloitte LLP

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

260 Names

261 Qualifications/experience and position title

1		
2		
3	Click here to enter Qualifications	

265 Are you claiming any salary or wages for SR&ED performed outside Canada? ☐ Yes ☒ No

266 Are you claiming expenditures for SR&ED carried out on behalf of another party? ☐ Yes ☒ No

267 Are you claiming expenditures for SR&ED performed by people other than your employees? ☒ Yes ☐ No

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

268 Names of individuals or companies

269 BN

1 METSCO ENERGY SOLUTIONS INC

2 BBA E&C INC.

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

Part 2 – Project information (continued)

Project number 4

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)

P4: Developing and applying Smart Grid (SG) concepts, techni

202

Project start date

2017-01

YearMonth

204

Completion or expected completion date

2024-06

YearMonth

206

Field of science or technology code
(See guide for list of codes)

2.02.01Electrical and electronic engineering

Project claim history

208

☒

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

☒ 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)

1.

Project Title: P4: Developing and applying Smart Grid (SG) concepts,

2.

techniques, methodologies & related equipment

3.

Ellexicon had developed a better understanding of the Ontario SG Forum's SG

4.

definition as one that ""uses sensors, monitoring, communication, automation

5.

and computers to improve the flexibility, security, reliability, efficiency

6.

and safety of the electricity system"", and Ontario's Green Energy & Green

7.

Economy Act requirements. It reviewed how existing tools/practices and those

8.

under development could be incorporated into a SG framework. In addition,

9.

Ellexicon investigated: (1) the state-of-the-art in SG technologies; (2)

10.

actual and proposed SG-like innovations already available; (3) the principal

11.

drivers for SG efforts and their impact on work either undertaken or still in

12.

progress. From the data collected and analyzed, a preliminary approach was

13.

developed to deploy SG concepts, techniques, methodologies & related

14.

equipment. It was not, however, taken to the detailed level of a Green Plan

15.

and uncertainties persisted. Smart Community Microgrid project was

16.

subsequently determined to be a test bed for the company for deployment of

17.

DERs for grid benefits, islanding and grid connected microgrid assets for

18.

added resiliency, EV charging profiles and growth in the community, etc.

19.

Testing these constructs and identifying operational procedures in this

20.

environment would lead to more confidence within the utility to promote and

21.

plan for higher adoption of DERs and EVs, rather than having an aversion for

22.

them. The uncertainties of the activity would be associated with whether

23.

residents would have sufficient system intelligence and analytics to better

24.

manage their energy needs and challenges with and viable solutions for

25.

deploying a smart energy community in Ontario, given its unique electricity

26.

grid and standards. In FY23, Modifications continued to be required to the

27.

SCM equipment. Key uncertainties included:

28.

(A) would different types and capabilities of SG systems and equipment be

29.

integrated into Ellexicon sets of preferred concepts, techniques and

30.

methodologies?

31.

(B) could we reliably facilitate system improvements via reduced outages and

32.

quicker response times?

33.

(C) could we make more efficient use of existing infrastructure while

34.

reducing losses?

35.

(D) could we empower customers to participate in conservation?

36.

(E) could we progress towards the transition to a SG?

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

37. (F) would an understanding grid benefits, islanding and grid connected
38. microgrid assets add the desired resiliency?
39. (G) could Power Monitoring of the Smart Grid system for the grid effects on
40. the large operations be applied to the micro-grid?
41. (H) would multiple approaches required for relay elements lead to overall
42. grid systematic uncertainties?

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. Ellexicon had started working on the Smart Community Microgrid (SCM) project
2. in a past fiscal period and the work continues into the present. It initiated
3. with a SCM demonstration project designed & developed together with the City
4. of Pickering, Marshall Homes (the developer), Opus One Solutions (technology
5. partner). The intended result was greater efficient energy use, decrease in
6. GHG consumption from reduced electricity required from the grid & lowering
7. usage at home using smart appliances & thermostats. The community would
8. generate clean electricity during the day & store electricity during the
9. night when GHG based electrons are at its lowest. Resiliency against loss of
10. power (grid failure) increased due to self-generation & storage for community
11. purposes. The site included the energy storage, roof top solar, EV charging
12. station, GridOS Distributed Energy resources management system (DERMS) to
13. provide an innovative approach to community development to provide
14. resiliency, energy conservation and demand management for the residents and
15. electric utility respectively. Extensive work continued on design, equipment
16. specifications evolved and a microgrid developed and DERMS software
17. iteratively devised and interfaced with the expanding community storage and
18. generation concepts. DERMS testing continues to be performed using actual
19. feeder parameters. Actual field work design continues to be in progress.
20. Power quality failures continue to be encountered and advanced meters used in
21. follow up investigations. In order to capture the power quality data, we
22. acquired and utilized [REDACTED] software with
23. testing initiated in earlier fiscal periods and extending to present day. The
24. software was able to collect and export data that supports the failure was
25. caused by a large user operation and data analysis continued to be performed.
26. There was also extensive work performed to attempt to finalize the Site
27. Acceptance Test (SAT) for the SCM into FY23. Engineering was involved in
28. development work for the SAT including equipment bench-tests. The SAT project
29. continued with various scope changes with the BESS being used only for outage
30. mitigation which has now been completed. The recloser initiative was
31. energized and we pursued engineering completion to enable Microgrid mode on
32. the battery. We also replaced and installed 4 EV charger at Ellexicon Ajax HQ
33. with load patterns to be monitored. Other development initiatives were
34. pursued for Grid Advancement, IOC IT Enhancements, OEB Cyber Framework- Risk
35. Mitigation), OT & Innovation Software Enhancements, Quadra Upgrades (E-JPF),
36. Technology and Innovation initiatives and the Whitby Smart Grid-ICM

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. Ellexicon sought to acquire the knowledge and capabilities it needed to deploy
2. and implement a range of Smart Grid concepts and technologies across its
3. existing distribution network to transition it to one that has a fully
4. intelligent infrastructure with:
5. (1) Compatible, durable and reliable equipment with built-in sensing and
6. intelligent electronic devices for monitoring, fault diagnosis, and self-
7. restoration capabilities.
8. (2) Fail-safe, robust, fast, high band-width, 2-way advanced communications
9. from customers to the grid control center.
10. (3) Centralized monitoring and control utilizing integrated data bases for

11. customer information, for asset records including their geographic locations,
12. for the management of outages, for grid operations and for making physical
13. changes to the grid infrastructure.
14. (4) Informed & intelligent operators and customers regarding electricity use
15. and the assets for local generation, distribution & storage and initiatives
16. to facilitate wise consumption for system-wide benefits; and
17. (5) Unrestricted capability to accommodate, plug-in hybrid electric vehicles
18. (EV), distributed generation (DG), and potentially energy storage. In
19. summary, an SG is one that supports the 2-way flows of electricity, data &
20. information.
21. To date, we have advanced our knowledge and general understanding on:
22. (A) the applicability of different types & capabilities of SG systems and
23. equipment - either currently commercially available or at a prototype stage -
24. to permit their evaluation with a view to establishing a set of preferred
25. concepts, techniques and methodologies that ellexicon could implement;
26. (B) facilitating system reliability improvements via reduced outages and
27. quicker response times and adding more visibility to the system;
28. (C) making more efficient use of existing infrastructure and reducing losses;
29. (D) empowering customers to participate in conservation; and
30. (E) Progressing towards the transition to a SG.
31. (F) Smart Community Microgrid development - understanding grid benefits,
32. islanding and grid connected microgrid assets for added resiliency, EV
33. charging profiles and growth in the community, etc. The unique methods and
34. techniques required for system intelligence and analytics would result in a
35. considerable knowledge gain.
36. (G) Power Monitoring of the Smart Grid system for the grid effects of large
37. operations on the micro-grid
38. (H) Multiple parties working on different components for programming and
39. logics on relays for our community SG project continue to lead to systematic
40. uncertainties which will require resolution in future fiscal periods.

Section C – Additional project information

Who prepared the responses for Section B?

253 ☒ Employee directly involved in the project

254 Name

255 ☐ Other employee of the company

256 Name

257 ☒ External consultant

258 Name

Deloitte LLP

259 Firm

Deloitte LLP

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

260 Names

261

Qualifications/experience and position title

1

2

3

265 Are you claiming any salary or wages for SR&ED performed outside Canada?

☐ Yes

☒ No

266 Are you claiming expenditures for SR&ED carried out on behalf of another party?

☐ Yes

☒ No

267 Are you claiming expenditures for SR&ED performed by people other than your employees?

☒ Yes

☐ No

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

268 Names of individuals or companies

269

BN

1 METSCO ENERGY SOLUTIONS INC

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

Part 2 – Project information (continued)

Project number 5

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)

P5: Mobile Workforce Management System (MWFMS) design, devel

202

Project start date

2015-01

Year Month

204

Completion or expected completion date

2024-03

Year Month

206

Field of science or technology code
(See guide for list of codes)

2.02.01

Electrical and electronic engineering

Project claim history

208

☒ 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

☒ 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)

1.

Project Title: P5: Mobile Workforce Management System (MWFMS) design,

2.

development and pilot implementation

3.

For a MWFMS (Mobile Workforce Management System) to be an effective tool for

4.

Ellexicon (formerly VCI), it must be integrated with a diverse range of

5.

existing tools and systems which include [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

among others. Ellexicon was challenged to define

9.

processes encompassed by these systems and where mobile computing could

10.

benefit them, and devise methods of interfacing such systems and processes to

11.

meet the project's objectives for Ellexicon's MWFMS.

12.

As per previous fiscal periods, the emphasis continued to be on the software

13.

side of the MWFMS with a stated purpose of customizing existing available

14.

commercial S/W tools to the maximum extent possible. The key obstacle that

15.

Ellexicon faced was resolving interface issues of candidate tools with its

16.

existing suite of tools and systems.

17.

Various MWFMS systems continued to be tested. Line Operations leveraged [REDACTED]

[REDACTED]

for a number of workflows such as trouble calls and

19.

equipment inspections. Metering teams leverage [REDACTED] for

20.

meter exchange workflows. Ellexicon continued to explore migrating the meter

21.

exchange workflows from [REDACTED] into [REDACTED] to attempt to integrate the system

22.

but encountered systematic challenges.

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.

Ellexicon continued to work with the CIS to test/direct development of a

2.

business layer with which to interact. This involved several iterative

3.

development and test cycles. Once the business layer was completed to an

4.

acceptable level, development of the meter install workflow continued and was

5.

piloted, tested and iteratively improved with the end users.

6.

In addition, there were some issues with the trouble call workflow. The

7.

workflow was designed to infer the assets that were damaged and replaced

8.

based on as little input as possible from field crews. There were some

9.

scenarios discovered where the software was incorrectly identifying assets

10.

and so there was some significant re-engineering required to correct the

11.

issues. Work continued to refine the accuracy and detail of the trouble

T661 E (20)

CORPORATE TAXPREP / TAXPREP DES SOCIÉTÉS - GE11 VERSION 2024 V1.0

Page 1

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)

12. calls, enabling cleaner data that was subsequently used for more detailed
13. analytics on tree trimming activities. Development activities also included
14. ongoing modifications to the existing MWFM workflows to work with the new
15. consolidated GIS model. Work to change system inspections and add new
16. workflows such as digitized trench inspections also continued. MWFM via the
17. application is operational. However, in FY2022, Elexicon developed
18. and tested the workflow for meter exchanges leveraging . The team ran
19. into a hardware challenge. An initial step in the process requires scanning a
20. meter's identification number/barcode. Typically this is done using the field
21. device. In this circumstance, the Metering team utilizes the built-in camera
22. within their Microsoft Surface Pro. It was found that the resolution was
23. unable to accurately recognize the meter's identification number/barcode. As
24. a resolution, external scanners were purchased. Some residual development was
25. performed to overcome challenges encountered. The project is now considered
26. complete.

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. It is the capability to achieve increased back office & field resource
2. efficiencies through the development & implementation of enhanced
3. office/field communications using MWFMS. The objectives established for the
4. MWFMS were to:
5. (1) improve safe vehicle use and efficiency through a combination of software
6. & hardware;
7. (2) reduce or eliminate paper-based communication of in-field conditions to
8. in-office personnel;
9. (3) improve customer experience through faster response times & consistent,
10. effective service;
11. (4) provide easier access to enterprise-wide information & ensure data
12. accuracy to/from the field ;
13. (5) improve visibility into workforce & workload for tactical & strategic
14. decisions; and
15. (6) assure flexibility and scale-ability through
17. 2017 saw the expansion of between the middleware and
18. the involved systems, as well as the design and development of new workflow
19. to capture trouble calls. In addition, a new was designed by a
20. vendor in cooperation with Veridian to accommodate a to capture
21. meter installations.
22. 2018 saw the improvement of the asset identification algorithms based on user
23. input as well as the refinement of the delivered by the vendor in
24. cooperation with Elexicon.
25. Elexicon continued to
26. advance the trouble call workflow to increase accuracy of the asset
27. identification algorithms. 2020 and 2021 saw the modification of the existing
28. systems to match the new GIS consolidated data model and added digitized
29. trench inspection capabilities. In 2022 we developed the workflow for meter
30. exchanges and further advanced our capabilities. In 2023 we performed final
31. testing and further modifications to the MWFMS were made. Development is now
32. considered complete.

Section C – Additional project information

Who prepared the responses for Section B?

253	☒ Employee directly involved in the project	254	Name	
255	☐ Other employee of the company	256	Name	
257	☒ External consultant	258	Name	259 Firm
			Deloitte LLP	Deloitte LLP

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

260	Names	261	Qualifications/experience and position title
1			
2			
3			

265	Are you claiming any salary or wages for SR&ED performed outside Canada?	☐ Yes	☒ No
266	Are you claiming expenditures for SR&ED carried out on behalf of another party?	☐ Yes	☒ No
267	Are you claiming expenditures for SR&ED performed by people other than your employees?	☐ Yes	☒ No

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

268	Names of individuals or companies	269	BN
1			

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

Part 2 – Project information (continued)

Project number 6

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)

P6: Improved Engineering project Design/Analysis through Cus

202

Project start date

2012-09

YearMonth

204

Completion or expected completion date

2024-05

YearMonth

206

Field of science or technology code
(See guide for list of codes)

2.02.01

Electrical and electronic engineering

Project claim history

208

☒ 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

☒ 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)

1.

Project Title: P6: Improved Engineering project Design/Analysis through

2.

Custom Software Tools

3.

For this project, we sought to improve our engineering standards and analysis

4.

methods through the development and customization of various software tools.

5.

A common problem when CAD software tools are being used to generate

6.

engineering design drawings is the lack of a common methodology so that no

7.

matter which designer prepares the drawings, all of the drawings released for

8.

construction look the same, and use the same symbolism and conventions. The

9.

problem exists in a single engineering office with multiple technical staff

10.

creating drawings and tends to be much worse when multiple offices are

11.

involved working on the same multi-disciplinary project.

12.

The obstacles/uncertainties faced going in were:

13.

- Understanding the criteria that should be adopted to rationalize and

14.

standardize the existing practices used across the design staff in the

15.

Engineering Department using the AutoCAD S/W tool for design development with

16.

their individual approaches, practices, subroutines/macros and symbolism;

17.

- whether or not the scope of the design work for the CAD

18.

initiative/methodology would cover would include all aspects of the

19.

Engineering Departments activities and not just the areas already using

20.

AutoCAD;

21.

- Developing and verifying the testing protocols that should be used to

22.

verify the components of the new methodology (s) and to ensure application

23.

consistency across all of its users.

24.

- Understanding how to capture/characterize all of the design inputs and

25.

allow the model to be updated through testing.

26.

- For - We anticipated a CSA ruling that would mean that linear

27.

evaluation for guying analysis would no longer be acceptable. We needed to

28.

develop an approach to be able to perform non-linear analysis under a wide

29.

range of loading conditions.

30.

We also pursued developing a e-JPF (electronic job-planning folder) whereby

31.

we would transition from a paper-based workflow to electronic, leveraging the

32.

available - a pilot was planned and with an intention on

33.

being fully operational in 2023. However, technical uncertainties continued

34.

to be encountered while attempting to adapt the to unify job

35.

documentation to be uploaded, downloaded, and accessed by all users and

36.

departments. Obstacles in achieving 'in real time' updating of construction

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

37. status, including mapping, energizations, and construction status through the
38. E-JPF process/procedure also persisted.

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 this project, we worked on an AutoCAD standardization concept, custom
2. guying analysis and design system integration development initiatives.
3. The first activity involved attempting to use AutoCAD to standardize existing
4. engineering practices, and this project continued from prior fiscal periods.
5. A team had been formed in previous fiscal periods, with representatives from
6. different areas to contribute their expertise to the definition and
7. specification of what the new methodology had to achieve, and what its
8. outputs had to deliver. Various sessions were held before the working
9. documents were sufficiently detailed and a customizing solution in AutoCAD
10. format could be tested and trialed. Ongoing development included continued
11. modification of the interface between the AutoCAD template and the GIS tools
12. with initiatives between Standards and GIS to attempt to resolve ongoing
13. export/import failures. Development and customization of software tools for
14. the concept continues.
15. The second project involved working to develop a custom software package for
16. guying analysis. The goal was to develop a model where the physical
17. properties of pole-framing equipment could be incorporated into a client
18. file. Prior to this initiative starting, we had been doing linear analysis
19. in Excel. Our goal with the non-linear approach was to evaluate the pole-
20. loading as a whole. In the course of ongoing development, we had devised
21. overhead and underground & overhead construction standards and associated
22. policies; transitioned to CAD certified interfaces; and utilized [REDACTED]
23. client file conversion to attempt to allow for dynamic non-linear guying as
24. required by CSA. We continue to observe equipment failures and perform
25. investigations of possible system modifications with ongoing development of
26. in-house [REDACTED] to CAD export tools and Inter-Utility Standards.
27. Other development continued on engineer design and systems integration as we
28. sought to improve our engineering standards and analysis methods through the
29. development and customization of various software tools. Extending into FY23
30. we continued to explore and test a e-JPF (electronic job-planning folder)
31. whereby we attempted to transition from a paper-based workflow to electronic,
32. leveraging the available [REDACTED] - the pilot was tested and we had to
33. make the downloading / uploading features more user friendly and efficient
34. (Erth).

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. Ellexicon wanted to create, verify and validate a new methodology to
2. standardize the look and content of its digitally created engineering
3. drawings released for construction by either is internal line crews or
4. external line or specialist contractors. So Ellexicon needed to acquire the
5. knowledge to do so. In addition, it wanted the new CAD tool, which would be
6. at the core of the new methodology, [REDACTED] so that the
7. preparation of W.O. packages could be made more efficient as well as more
8. consistent and understandable by the personnel who have to interpret the
9. drawings that these packages contain. As it did not have expertise in
10. developing solutions within AutoCAD, the tool it used for electrical drawing
11. production for infrastructure additions and modifications, Ellexicon
12. recognized at the outset that it would likely need to obtain assistance from
13. an external specialist contractor. Progress towards achieving these
14. advancements was incremental over multiple fiscal periods, and further work
15. would continue. In addition, Ellexicon worked to develop a non-linear method
16. for guying analysis and load-modelling under a wide range of installation

17. conditions. Unique [REDACTED] concepts continue to be devised and tested with

18. further knowledge gained ([REDACTED] to CAD export tool concepts and Inter-

19. Utility Standards models). Knowledge from e-JPF development will be gained in

20. future fiscal periods. Other new knowledge gained and lessons learned

21. includes efficiency advancements in the E-JPF process/procedure, mainly the

22. 'in real time' updating of construction status, including mapping,

23. energizations, and construction status.

Section C – Additional project information

Who prepared the responses for Section B?

253	☒ Employee directly involved in the project	254	Name	[REDACTED]
255	☐ Other employee of the company	256	Name	
257	☒ External consultant	258	Name	Deloitte LLP
		259	Firm	Deloitte LLP

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

260	Names	261	Qualifications/experience and position title
1	[REDACTED]		[REDACTED]
2	[REDACTED]		[REDACTED]
3			

265	Are you claiming any salary or wages for SR&ED performed outside Canada?	☐ Yes	☒ No
266	Are you claiming expenditures for SR&ED carried out on behalf of another party?	☐ Yes	☒ No
267	Are you claiming expenditures for SR&ED performed by people other than your employees?	☒ Yes	☐ No

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

268	Names of individuals or companies	269	BN
1	ERTH (Holdings) Inc.		[REDACTED]

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

Federal Tax Instalments

Federal tax instalments

For the taxation year ended2024-12-31

Business number

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:

Monthly instalment workchart

Date	Monthly tax instalments	Refund transferred to instalments	Instalments paid	Cumulative difference	Instalments payable
2024-01-31	2,901				2,901
2024-02-29	2,901				2,901
2024-03-31	2,901				2,901
2024-04-30	2,901				2,901
2024-05-31	2,901				2,901
2024-06-30	2,901				2,901
2024-07-31	2,901				2,901
2024-08-31	2,901				2,901
2024-09-30	2,901				2,901
2024-10-31	2,901				2,901
2024-11-30	2,901				2,901
2024-12-31	2,896				2,896
Totals	34,807				34,807

Quarterly instalment workchart

Date	Quarterly tax instalments	Refund transferred to instalments	Instalments paid	Cumulative difference	Instalments payable
2024-03-31					
2024-06-30					
2024-09-30					
2024-12-31					
Totals					

Instalment method

Indicate instalment method chosen [1-3]1

1st Instalment base method

If payment of instalments other than quarterly instalments is delayed, indicate the MONTH in which you want them to begin (1=January, 2=February, etc.).1

Select this box if you want the instalments to be calculated without taking the applicable threshold into account☐

Quarterly instalments calculation

The corporation must meet requirements 1 to 5 to be eligible for quarterly instalments for a tax year.

1 – Is the corporation a Canadian-controlled private corporation (CCPC)?

☒ Yes ☐ No

2 – Did the corporation claim any deduction under the section 125, during either the current or previous year?

☐ Yes ☒ No

3 – Is the corporation's, or any of its associated corporations', taxable income for the current or previous year less than or equal to \$500,000?

☐ Yes ☐ No

4 – Is the corporation and any associated corporations' taxable capital employed in Canada for the current or previous year less than or equal to \$10,000,000?

☐ Yes ☐ No

5 – Does the corporation have a perfect compliance history in the last 12 months?

☐ Yes ☐ No

If you do not want to use the quarterly instalments option, select this box to go back to monthly instalments.

☐

1 – 1st Instalment base method

1st Instalment base amount (amount N below)

34,807 ÷ 12 = 2,901

Monthly instalments required 2,901

Quarterly tax instalments required

34,807 ÷ 4 =

2 – Combined 1st and 2nd instalment base method

Select this box if you want the first 2 payments* to be calculated without taking the applicable threshold into account? ☐

2nd Monthly instalment base amount

Indicate: Part I tax

Parts VI, VI.1 and XIII.1 tax

+

Federal adjustment for amalgamation, winding up or transfer

+

Provincial tax, other than Alberta, Québec and Ontario

+

Ontario tax

+

630,093

Provincial adjustment for amalgamation, winding up or transfer

+

Total

=

630,093 ÷ 12 = 52,508

A

1/12 of estimated current year credits (M below /12)

-

250

B

Each of the first two instalment payments

=

52,258

B

Total tax from N below

34,807

Amount B above x 2

-

104,516

=

÷ 10 =

Each of the remaining ten instalment payments

=

2nd Quarterly instalment base amount

Indicate: Part I tax

Parts VI, VI.1 and XIII.1 tax

+

Federal adjustment for amalgamation, winding up or transfer

+

Provincial tax, other than Alberta, Québec and Ontario

+

Ontario tax

+

630,093

Provincial adjustment for amalgamation, winding up or transfer

+

Total

=

630,093 ÷ 4 = 157,524

A

1/4 of estimated current year credits (M below /4)

-

750

B

The first instalment payment

=

Total tax from N below

34,807

Amount B above

-

=

34,807 ÷ 3 = 11,603

Each of the remaining three instalment payments

=

* It is the first payment if the quarterly instalments are applicable.

CORPORATE TAXPREP / TAXPREP DES SOCIÉTÉS - GE11 VERSION 2024 V1.0

Page 2

3 – Estimated tax method

Instalment base amount (amount N below)		÷ 12 =	
		Monthly instalments required	
Quarterly tax instalments required		÷ 4 =	

Instalment base calculation

Federal tax	1st instalment base method	Estimated tax method	
Taxable income			
Calculation of tax payable			
Federal part I tax			
Additional tax on personal services business income	+	+	
Additional tax on banks and life insurers	+	+	
Recapture of investment tax credit	+	+	
Refundable tax on a CCPC's investment income	+	+	
Subtotal	=	=	A
Deduction			
Small business deduction			
Investment corporation deduction	+	+	
Federal tax abatement	+	+	
Manufacturing and processing profits deductions	+	+	
Non-business foreign tax credit	+	+	
Business foreign tax credit	+	+	
General tax reduction	+	+	
Logging tax credit	+	+	
Investment tax credit per Schedule 31	+	+	
Eligible Canadian bank deduction	+	+	
Qualifying environmental trust tax credit	+	+	
Subtotal	=	=	B
Federal tax summary			
Total part I tax payable (A minus B)			C
Part VI tax	+	+	D
Part VI.1 tax	+	+	E1
Part XIII.1 tax	+	+	E2
Parts I, VI, VI.1 and XIII.1	Total	=	F
Federal adjustments			
Adjustment for short taxation years multiplied by 365 and divided by the number of days in the year if less than 365	x 365 / 365	x 365 / 365	
Subtotal	=	=	
Federal adjustment for amalgamation, winding up or transfer	+	+	N/A
Total federal tax after adjustments	=	=	G
Provincial tax			
Provincial/territorial tax other than Alberta, Québec and Ontario before provincial refundable tax credits	+	+	H
Ontario tax			
Income tax			
Corporate minimum tax paid (credited)	+		37,807
Special additional tax on life insurance corporations	+		
Total Ontario tax	=	37,807	I
Harmonized provincial tax (H + I)			
Provincial/territorial tax other than Alberta and Québec before provincial refundable tax credits	=	37,807	J

Instalment base calculation (continued)

Provincial adjustments			
Adjustment for short taxation years multiplied by 365 and divided by the number of days in the year if less than 365	x	365 / 365	x 365 / 365
Subtotal	=	37,807	=
Provincial adjustment for amalgamation, winding up or transfer	+		+ N/A
Total provincial tax after adjustments	=	37,807	= K
Total of tax before refundable credits**	=	37,807	= L
Estimated current year credits			
Investment tax credit refund			
Dividend refund	+		+
Federal capital gains refund	+		+
Provincial and territorial capital gains refund	+		+
Tax withheld at source	+		+
Canadian journalism labour tax credit	+		+
Other estimated credits	+		+
Provincial/territorial refundable tax credits other than Alberta, Québec and Ontario*	+		+
Ontario refundable tax credits*	+	3,000	+
Total estimated current year credits	=	3,000	= M
Instalment base amount (L – M)		34,807	N

* For more details with regards to the impact of the refundable tax credits in the instalment base calculation, consult the Help.

** For instalments payable, the amount on line G will only be included in the amount of line L when it exceeds \$3,000. The same rule applies to line K.

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		
Corporation's name 002 Ellexicon Energy Inc.		
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 55 Taunton Road East 012 City Province, territory, or state 015 Ajax 016 ON Country (other than Canada) Postal or ZIP code 017 018 L1T 3V3		
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 100 Taunton Road East 022 023 City Province, territory, or state 025 Whitby 026 ON Country (other than Canada) Postal or ZIP code 027 028 L1N 5R8		
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. 031 100 Taunton Road East 032 City Province, territory, or state 035 Whitby 036 ON Country (other than Canada) Postal or ZIP code 037 038 L1N 5R8		
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		
To which tax year does this return apply? Tax year start Year Month Day 060 2023-01-01 Tax year-end Year Month Day 061 2023-12-31 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 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?	☒	9
Is the corporation an associated CCPC?	☒	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	☐	49
Does the corporation have any non-resident shareholders who own voting shares?	☐	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	☐	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?	☐	44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	☐	14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	☐	15
Is the corporation claiming a loss or deduction from a tax shelter?	☐	T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	☐	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)?	☐	22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	☐	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?	☐	29
Did the corporation have a total amount over CAN\$1 million of reportable transactions with non-arm's length non-residents?	☐	T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	☒	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	☐	
Does the corporation earn income from one or more Internet web pages or websites?	☐	88
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	☒	1
Has the corporation made any charitable donations; gifts of cultural or ecological property; or gifts of medicine?	☒	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	☐	3
Is the corporation claiming any type of losses?	☒	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	☒	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	☐	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)?	☐	7
Does the corporation have any property that is eligible for capital cost allowance?	☒	8
Does the corporation have any resource-related deductions?	☐	12
Is the corporation claiming deductible reserves?	☐	13
Is the corporation claiming a patronage dividend deduction?	☐	16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or a provincial credit union tax reduction?	☐	17
Is the corporation an investment corporation or a mutual fund corporation?	☐	18
Is the corporation carrying on business in Canada as a non-resident corporation?	☐	20
Is the corporation claiming any federal, provincial, or territorial foreign tax credits, or any federal logging tax credits?	☐	21
Does the corporation have any Canadian manufacturing and processing profits or zero-emission technology manufacturing profits?	☐	27
Is the corporation claiming an investment tax credit?	☒	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	☒	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over \$10,000,000?	☒	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over \$10,000,000?	☒	
Is the corporation subject to gross Part VI tax on capital of financial institutions?	☐	38
Is the corporation claiming a Part I tax credit?	☐	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?	☐	43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	☐	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?	☐	39
Is the corporation claiming a Canadian film or video production tax credit?	☐	T1131
Is the corporation claiming a film or video production services tax credit?	☐	T1177
Is the corporation claiming a Canadian journalism labour tax credit?	☐	58
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	☐	92

Attachments (continued)

	Yes	Schedule
Did the corporation have any foreign affiliates in the tax year?	☐	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?	☐	T1135
Did the corporation transfer or loan property to a non-resident trust?	☐	T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	☐	T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	☐	T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	☐	T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	☐	T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	☐	55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	☐	T2002
Has the corporation revoked any previous election made under subsection 89(11)?	☐	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?	☐	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?	☐	54
Is the corporation claiming a return of fuel charge proceeds to farmers tax credit?	☐	63
Are you an employer reporting a non-qualified security agreement under subsection 110(1.9)?	☐	59
Is the corporation claiming an air quality improvement tax credit?	☐	65
Is the corporation subject to the additional 1.5% tax on banks and life insurers?	☐	68
Is the corporation a covered entity that redeemed, acquired or cancelled equity of the corporation in the tax year?	☐	56

Additional information

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	Yes	☒	No	☐
Is the corporation inactive?	280	Yes	☐	No	☒
Did the corporation meet the definition of substantive CCPC under subsection 248(1) at any time during the tax year?	290	Yes	☐	No	☒
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	Electric Power Distribution in Canada		285	100.000 %
	286			287	%
	288			289	%
Did the corporation immigrate to Canada during the tax year?	291	Yes	☐	No	☒
Did the corporation emigrate from Canada during the tax year?	292	Yes	☐	No	☒
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 GIF	300	239,909	A
Deduct:			
Charitable donations from Schedule 2	311	179,932	
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	59,977	
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		239,909	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		
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	239,909	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:

- 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.
- 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 x **415** *** 745,567 D = 11,250 E1

Taxable capital business limit reduction for tax years starting after April 6, 2022

Amount C x **415** *** 745,567 D = 90,000 E2

Amount E1 or amount E2, whichever applies ► E3

Passive income business limit reduction

Adjusted aggregate investment income from Schedule 7**** . **417** - 50,000 = F

Amount C x Amount F = 100,000 G

The greater of amount E3 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 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	M Income paid under clause 125(1)(a)(i)(B) to the corporation identified in column L ³	N Business limit assigned to corporation identified in column L ⁴
	490	500	505
1.			

- Notes:
- Total 510

Total 515
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 or substantive CCPCs at any time in 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.

* This is not applicable to substantive CCPCs.

** 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, a substantive CCPC, 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 or substantive CCPCs at any time in the tax year

Aggregate investment income from Schedule 7440x302/3%=A

Foreign non-business income tax credit from line 632 on page 8B

Foreign investment income from Schedule 7445x8%=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 3F

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 8x75/29=H

Foreign business income tax credit from line 636 on page 8x4=I

Subtotal (add amounts G to I)J

Subtotal (amount F minus amount J)Kx302/3%=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 least450N

* This is not applicable to substantive CCPCs.



Refundable dividend tax on hand

Eligible refundable dividend tax on hand (ERDTOH) at the end of the previous tax year (line 530 of the preceding tax year)	520	A
Non-eligible refundable dividend tax on hand (NERDTOH) at the end of the previous tax year (line 545 of the preceding tax year) (if negative, enter "0")	535	B
Part IV tax payable on taxable dividends from connected corporations (amount 2G from Schedule 3)	C	
Part IV tax payable on eligible dividends from non-connected corporations (amount 2J from Schedule 3)	D	
Subtotal (amount C plus amount D)		E
Net ERDTOH transferred on an amalgamation or the wind-up of a subsidiary	525	F
ERDTOH dividend refund for the previous tax year	570	G
Refundable portion of Part I tax (from line 450 on page 6)		H
Part IV tax before deductions (amount 2A from Schedule 3)	I	
Part IV tax allocated to ERDTOH (amount E)	J	
Part IV tax reduction due to Part IV.1 tax payable (amount 4D of Schedule 43)	K	
Subtotal (amount I minus total of amounts J and K)		L
Net NERDTOH transferred on an amalgamation or the wind-up of a subsidiary	540	M
NERDTOH dividend refund for the previous tax year	575	N
38 1/3% of the total losses applied against Part IV tax (amount 2D from Schedule 3)		O
Part IV tax payable allocated to NERDTOH, net of losses claimed (amount L minus amount O) (if negative enter "0")		P
NERDTOH at the end of the tax year (total of amounts B, H, M, and P minus amount N) (if negative, enter "0")	545	
Part IV tax payable allocated to ERDTOH, net of losses claimed (amount E minus the amount, if any, by which amount O exceeds amount L) (if negative, enter "0")		Q
ERDTOH at the end of the tax year (total of amounts A, F, and Q minus amount G) (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

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) or substantive CCPC's investment income (if it was a CCPC throughout the tax year or a substantive CCPC at any time in 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 or substantive 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.

* This is not applicable to substantive CCPCs.

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 II.2 tax payable from Schedule 56	705	
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	

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	34,807

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	400,000
Total credits	890	400,000

Balance (amount A **minus** amount B) -365,193

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	365,193

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: EFILF number **920**
RepID **925**

- Certification

I, **950** Chan **951** Cynthia **954** Chief Financial Officer

Last name	First name	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	2024-06-27	956	(905) 427-9870
	Date (yyyy/mm/dd)		Telephone number

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

958		959	(905) 427-9870
	Name of other authorized person		Telephone number

- Language of correspondence – Langue de correspondance

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

990 1

Form identifier 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIF1

Corporation's name	Business number	Tax year end Year Month Day
Ellexicon Energy Inc.		2023-12-31

Balance sheet information

Account	Description	GIFI	Current year	Prior year
Assets				
	Total current assets	1599 +	111,867,964	100,434,579
	Total tangible capital assets	2008 +	813,340,150	730,511,585
	Total accumulated amortization of tangible capital assets	2009 –	166,783,366	144,343,946
	Total intangible capital assets	2178 +	94,077,356	90,412,548
	Total accumulated amortization of intangible capital assets	2179 –	21,358,661	18,847,511
	Total long-term assets	2589 +	56,421,959	58,900,485
	* Assets held in trust	2590 +		
	Total assets (mandatory field)	2599 =	887,565,402	817,067,740
Liabilities				
	Total current liabilities	3139 +	159,622,245	317,723,706
	Total long-term liabilities	3450 +	485,125,152	256,603,360
	* Subordinated debt	3460 +		
	* Amounts held in trust	3470 +		
	Total liabilities (mandatory field)	3499 =	644,747,397	574,327,066
Shareholder equity				
	Total shareholder equity (mandatory field)	3620 +	242,818,005	242,740,674
	Total liabilities and shareholder equity	3640 =	887,565,402	817,067,740
Retained earnings				
	Retained earnings/deficit – end (mandatory field)	3849 =	63,649,790	62,951,902

* Generic item

Form identifier 125GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Corporation's name	Business number	Tax year-end Year Month Day
Ellexicon Energy Inc.		2023-12-31

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 +	500,446,700	501,726,608
	Cost of sales	8518 -	406,873,361	418,355,604
	Gross profit/loss	8519 =	93,573,339	83,371,004
	Cost of sales	8518 +	406,873,361	418,355,604
	Total operating expenses	9367 +	100,506,859	78,434,434
	Total expenses (mandatory field)	9368 =	507,380,220	496,790,038
	Total revenue (mandatory field)	8299 +	509,401,030	515,768,272
	Total expenses (mandatory field)	9368 -	507,380,220	496,790,038
	Net non-farming income	9369 =	2,020,810	18,978,234
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 =	2,020,810	18,978,234
	Total – other comprehensive income	9998 =	-620,557	4,358,539
Extraordinary items and income (linked to Schedule 140)				
	Extraordinary item(s)	9975 -		
	Legal settlements	9976 -		
	Unrealized gains/losses	9980 +		
	Unusual items	9985 -		
	Current income taxes	9990 -	446,499	500,936
	Future (deferred) income tax provision	9995 -	-4,601,662	768,322
	Total – Other comprehensive income	9998 +	-620,557	4,358,539
	Net income/loss after taxes and extraordinary items (mandatory field)	9999 =	5,555,416	22,067,515

CORPORATE TAXPREP / TAXPREP DES SOCIÉTÉS - GE11 VERSION 2024 V1.0

General Index of Financial Information (GIFI) – Additional Information

Corporation's name Ellexicon Energy Inc.	Business number 	Tax year-end Year Month Day 2023-12-31

- Corporations need to complete all parts of this schedule that apply and include it with their T2 return along with their other GIFI schedules.
- For more information, see Guide RC4088, General Index of Financial Information (GIFI), and Guide T4012, T2 Corporation – Income Tax Guide.

Part 1 – Information on the person primarily involved with the financial information

Can you identify the person* specified in the heading of Part 1?

111

Yes

☒

No

☐

If you answered **no**, go to Part 2.

Does that person have a professional designation in accounting?

095

Yes

☒

No

☐

Is that person connected** with the corporation?

097

Yes

☐

No

☒

* A person primarily involved with the financial information is a person who has more than a 50% involvement in preparing the financial information that the T2 return is based on. For example, if three persons prepared the financial information by doing respectively 30%, 30%, and 40% of the work, answer **no** at line 111. If they did respectively 10%, 20%, and 70% of the work, answer **yes** at line 111 and complete Part 1 by referring only to the third person.

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

Part 2 – Type of involvement

Choose one or more of the following options that represent your involvement and that of the person referred to in Part 1:

Completed an auditor's report

300

☒

Completed a review engagement report

301

☐

Conducted a compilation engagement

302

☐

Provided accounting services

303

☐

Provided bookkeeping services

304

☐

Other (please specify)

305

Part 3 – Reservations

If you selected option 1 (300) or 2 (301) in Part 2 above, answer the following question:

Has the person referred to in Part 1 expressed a reservation?

099

Yes

☐

No

☒

Part 4 – Other information

Were notes to the financial statements prepared?

101

Yes

☐

No

☒

Did the corporation have any subsequent events?

104

Yes

☐

No

☒

Did the corporation re-evaluate its assets during the tax year?

105

Yes

☐

No

☒

Did the corporation have any contingent liabilities during the tax year?

106

Yes

☐

No

☒

Did the corporation have any commitments during the tax year?

107

Yes

☐

No

☒

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

108

Yes

☐

No

☒

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.

Part 5 – Information on the person who prepared the T2 return

If the person who prepared the T2 return has a professional designation in accounting but is not the person identified in Part 1, choose all of the following options that apply:

- Prepared the T2 return and the financial information contained therein 310 ☐
- The client provided the financial statements 311 ☐
- The client provided a trial balance 312 ☐
- The client provided a general ledger 313 ☐
- Other (please specify) 314 ☐

Corporation's name	Business number	Tax year-end Year Month Day
Ellexicon Energy Inc.		2023-12-31

- 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

5,555,416

A

Add:

Provision for income taxes – current	101	446,499	
Provision for income taxes – deferred	102	-4,601,662	
Amortization of tangible assets	104	21,562,896	
Charitable donations and gifts from Schedule 2	112	455,616	
Scientific research expenditures deducted per financial statements	118	1,088,649	
Non-deductible club dues and fees	120	33,709	
Non-deductible meals and entertainment expenses	121	59,642	
Reserves from financial statements – balance at the end of the year	126	7,448,891	
Subtotal of additions		26,494,240	26,494,240

Add:

Taxable/non-deductible other comprehensive income items	239	620,557	

Other additions:

	1 Description	2 Amount		
	605	295		
1	OITC/ORDTC/BCRDTC/ABRDTC/ABIEG from prior year 12(1)(x) ITA	23,526		
2	Vehicle amortization	498,165		
3	12(1)(x) CIAC	15,399,409		
4	Regulatory assets - decrease	3,391,338		
5	Co-op education credit 2020 sch550 part#4	12,000		
6	Interest on leased assets	24,829		
7	Deferred revenue - ICM	53,722		
8	Golf tournament expenses	40,801		
9	Unrealized loss on interest rate swap	11,081,361		
10	POEB capitalized for accounting	6,619		
11	Sick leave cost capitalized for acctg.	18,616		
12	Other amortization	15,734		
	Total of column 2	30,566,120	296	30,566,120
	Subtotal of other additions	199	31,186,677	31,186,677
	Total additions	500	57,680,917	57,680,917

Amount A plus line 500

63,236,333

B

Deduct:

Gain on disposal of assets per financial statements	401	99,036	
Capital cost allowance from Schedule 8	403	36,216,184	
SR&ED expenditures claimed in the year on line 460 from Form T661	411	1,748,675	
Reserves from financial statements – balance at the beginning of the year	414	6,925,391	
Subtotal of deductions		44,989,286	44,989,286

Deduct:

Other deductions:

	1 Description 705	2 Amount 395			
1	13(7.4) election CIAC	15,399,409			
2	Pension contribution capitalized for accounting	817,573			
3	Borrowing costs capitalized	886,628			
4	Intangible assets capitalized for accounting	310,063			
5	Proceeds on sales recorded for accounting	391,446			
6	Lease payments on leased assets	202,019			
	Total of column 2	18,007,138	▶	396	18,007,138
				499	18,007,138 ▶
				Total deductions 510	62,996,424 ▶
	Net income (loss) for income tax purposes (amount B minus line 510)				239,909 C

Enter amount C on line 300 of the T2 return.

Charitable Donations and Gifts

Corporation's name	Business number	Tax year-end Year Month Day
Ellexicon Energy Inc.		2023-12-31

- 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)
Available upon request	448,116
	Subtotal 448,116
	Add: Total donations of less than \$100 each
	Total donations in current tax year 448,116

Part 1 – Charitable donations

	Federal	Québec	Alberta
Charitable donations at the end of the previous tax year	430,587 1A	430,587	430,587
Charitable donations expired after five tax years*	239		
Charitable donations at the beginning of the current tax year (amount 1A minus line 239)	240 430,587	430,587	430,587
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)	210 448,116	448,116	448,116
Subtotal (line 250 plus line 210)	448,116 1B	448,116	448,116
Subtotal (line 240 plus amount 1B)	878,703 1C	878,703	878,703
Adjustment for an acquisition of control	255		
Total charitable donations available (amount 1C minus line 255)	878,703 1D	878,703	878,703
Amount applied in the current year against taxable income (cannot be more than amount 2H in Part 2)	260 179,932	179,932	179,932
(enter this amount on line 311 of the T2 return)			
Charitable donations closing balance (amount 1D minus line 260)	280 698,771	698,771	698,771
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, 2027)	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
1 st prior year	2022-12-31	430,587	430,587	430,587
2 nd prior year	2021-12-31			
3 rd prior year	2020-12-31			
4 th prior year	2019-12-31			
5 th prior year				
6 th prior year*				
7 th prior year				
8 th prior year				
9 th prior year				
10 th prior year				
11 th prior year				
12 th prior year				
13 th prior year				
14 th prior year				
15 th prior year				
16 th prior year				
17 th prior year				
18 th prior year				
19 th prior year				
20 th prior year				
21 st prior year*				
Total (to line A)		430,587	430,587	430,587

* 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 %	179,932	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)	179,932	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)	179,932	2H
Note 1: For credit unions, this amount is before the deduction of bonus interest payments and payments pursuant to allocations in proportion to borrowing made by the credit union that is otherwise deductible under subsection 137(2).		
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	410		
(include this amount on line 112 of Schedule 1)			
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	460		
(enter this amount on line 313 of the T2 return)			
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
1 st prior year	2022-12-31			
2 nd prior year	2021-12-31			
3 rd prior year	2020-12-31			
4 th prior year	2019-12-31			
5 th prior year				
6 th prior year*				
7 th prior year				
8 th prior year				
9 th prior year				
10 th prior year				
11 th prior year				
12 th prior year				
13 th prior year				
14 th prior year				
15 th prior year				
16 th prior year				
17 th prior year				
18 th prior year				
19 th prior year				
20 th prior year				
21 st 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	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
1 st prior year	2022-12-31		
2 nd prior year	2021-12-31		
3 rd prior year	2020-12-31		
4 th prior year	2019-12-31		
5 th prior year			
6 th prior year*			
7 th prior year			
8 th prior year			
9 th prior year			
10 th prior year			
11 th prior year*			
12 th prior year			
13 th prior year			
14 th prior year			
15 th prior year			
16 th prior year			
17 th prior year			
18 th prior year			
19 th prior year			
20 th prior year			
21 st 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	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 $\left(\frac{b}{c}\right)$ = 2017	Additional deduction for gifts of medicine made before March 22, 2017	610	
Québec a x $\left(\frac{b}{c}\right)$ = 2017	Additional deduction for gifts of medicine made before March 22, 2017		
Alberta a x $\left(\frac{b}{c}\right)$ = 2017	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)			
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	660		
(enter this amount on line 315 of the T2 return)			
Subtotal (line 655 plus line 660)	5F		
Additional deduction for gifts of medicine closing balance (amount 5E minus amount 5F) (Note 3)	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.

Note 3: The amount at line 680 is not available for carryforward.

Amounts carried forward – Additional deduction for gifts of medicine

Year of origin:		Federal	Québec	Alberta
1 st prior year	2022-12-31			
2 nd prior year	2021-12-31			
3 rd prior year	2020-12-31			
4 th prior year	2019-12-31			
5 th prior year				
6 th prior year*				
7 th prior year				
8 th prior year				
9 th prior year				
10 th prior year				
11 th prior year				
12 th prior year				
13 th prior year				
14 th prior year				
15 th prior year				
16 th prior year				
17 th prior year				
18 th prior year				
19 th prior year				
20 th prior year				
21 st 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
1 st prior year		2022-12-31	
2 nd prior year		2021-12-31	
3 rd prior year		2020-12-31	
4 th prior year		2019-12-31	
5 th prior year			
6 th prior year			
7 th prior year			
8 th prior year			
9 th prior year			
10 th prior year			
11 th prior year			
12 th prior year			
13 th prior year			
14 th prior year			
15 th prior year			
16 th prior year			
17 th prior year			
18 th prior year			
19 th prior year			
20 th prior year			
21 st prior year*			
Total			

* These gifts expired in the current year.

Corporation Loss Continuity and Application

Corporation's name	Business number	Tax year-end Year Month Day
Ellexicon Energy Inc.		2023-12-31

- 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 federal 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 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 federal Income Tax Act.

Part 1 – Non-capital losses

Determination of current-year non-capital loss

Net income (loss) for income tax purposes		239,909	1A
Net capital losses deducted in the year (enter as a positive amount)			1B
Taxable dividends deductible under section 112 or subsections 113(1) or 138(6)			1C
Amount of Part VI.1 tax deductible under paragraph 110(1)(k)			1D
Amount deductible as prospector's and grubstaker's shares – Paragraph 110(1)(d.2)			1E
Employer deduction for non-qualified securities – Paragraph 110(1)(e)			1F
Subtotal (total of amounts 1B to 1F)			1G
Subtotal (amount 1A minus amount 1G; if positive, enter "0")			1H
Section 110.5 or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions			1I
Subtotal (amount 1H minus amount 1I)			1J
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)			1K
Current-year non-capital loss (amount 1J plus amount 1K; if positive, enter "0")			1L
If amount 1L 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		8,475,754	1M
Non-capital loss expired (note 1)	100		
Non-capital losses at the beginning of the tax year (amount 1M minus line 100)	102	8,475,754	8,475,754
Non-capital losses transferred on an amalgamation or on the wind-up of a subsidiary (note 2) corporation	105		
Current-year non-capital loss (from amount 1L)	110		
Subtotal (line 105 plus line 110)			1N
Subtotal (line 102 plus amount 1N)		8,475,754	1O

Note 1: A non-capital loss expires after **20 tax years** and an allowable business investment loss becomes a net capital loss after **10 tax years**.

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)

Other adjustments (includes adjustments for an acquisition of control)	150	
Section 80 – Adjustments for forgiven amounts	140	
Subsection 111(10) – Adjustments for fuel tax rebate		
Non-capital losses of previous tax years applied in the current tax year	130	59,977
Enter line 130 on line 331 of the T2 return.		
Current and previous years non-capital losses applied against current-year taxable dividends subject to Part IV tax (note 3)	135	
Subtotal (total of lines 150, 140, 130 and 135)		59,977 1P
Non-capital losses before any request for a carryback (amount 1O minus amount 1P)		8,415,777 1Q

Request to carry back non-capital loss to:

First previous tax year to reduce taxable income	901	
Second previous tax year to reduce taxable income	902	
Third previous tax year to reduce taxable income	903	
First previous tax year to reduce taxable dividends subject to Part IV tax	911	
Second previous tax year to reduce taxable dividends subject to Part IV tax	912	
Third previous tax year to reduce taxable dividends subject to Part IV tax	913	
Total of requests to carry back non-capital losses to previous tax years (total of lines 901 to 913)		1R
Closing balance of non-capital losses to be carried forward to future tax years (amount 1Q minus amount 1R)	180	8,415,777

Note 3: Line 135 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	
Capital losses transferred on an amalgamation or on the wind-up of a subsidiary corporation	205	
Subtotal (line 200 plus line 205)		2A
Other adjustments (includes adjustments for an acquisition of control)	250	
Section 80 – Adjustments for forgiven amounts	240	
Subtotal (line 250 plus line 240)		2B
Subtotal (amount 2A minus amount 2B)		2C
Current-year capital loss (from the calculation on Schedule 6, Summary of Dispositions of Capital Property)	210	
Unused non-capital losses from the 11th previous tax year (note 4)		2D
Allowable business investment losses (ABILs) that expired as non-capital losses at the end of the previous tax year (note 5)		2E
Enter amount 2D or 2E, whichever is less	215	
ABILs expired as non-capital losses: line 215 multiplied by 2.000000	220	
Subtotal (amount 2C plus line 210 plus line 220)		2F

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.

Note 4: Determine the amount of the non-capital loss from the 11th previous tax year, and enter the part of the non-capital loss that was not deducted in the previous 11 years.

Note 5: Enter the amount of the ABILs from the 11th previous tax year. Enter the full amount on amount 2E.

Part 2 – Capital losses (continued)

Capital losses from previous tax years applied against the current-year net capital gain (note 6) 225

Capital losses before any request for a carryback (amount 2F minus line 225) 2G

Request to carry back capital loss to (note 7):

	Capital gain (100%)	Amount carried back (100%)
First previous tax year	951	
Second previous tax year	952	
Third previous tax year	953	
Subtotal (total of lines 951 to 953)		2H
Closing balance of capital losses to be carried forward to future tax years (amount 2G minus amount 2H) (note 8)		280

Note 6: To get the net capital losses required to reduce the taxable capital gain included in the net income (loss) for the current tax year, 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.

Note 8: Capital losses can be carried forward indefinitely.

Part 3 – Farm losses

Continuity of farm losses and request for a carryback

Farm losses at the end of the previous tax year 3A

Farm loss expired (note 9) 300

Farm losses at the beginning of the tax year (amount 3A minus line 300) 302

Farm losses transferred on an amalgamation or on the wind-up of a subsidiary corporation 305

Current-year farm loss (amount 1K in Part 1) 310

Subtotal (line 305 plus line 310) 3B

Subtotal (line 302 plus amount 3B) 3C

Other adjustments (includes adjustments for an acquisition of control) 350

Section 80 – Adjustments for forgiven amounts 340

Farm losses of previous tax years applied in the current tax year 330

Enter line 330 on line 334 of the T2 Return.

Current and previous years farm losses applied against current-year taxable dividends subject to Part IV tax (note 10) 335

Subtotal (total of lines 350, 340, 330 and 335) 3D

Farm losses before any request for a carryback (amount 3C minus amount 3D) 3E

Request to carry back farm loss to:

First previous tax year to reduce taxable income	921	
Second previous tax year to reduce taxable income	922	
Third previous tax year to reduce taxable income	923	
First previous tax year to reduce taxable dividends subject to Part IV tax	931	
Second previous tax year to reduce taxable dividends subject to Part IV tax	932	
Third previous tax year to reduce taxable dividends subject to Part IV tax	933	
Subtotal (total of lines 921 to 933) 3F		
Closing balance of farm losses to be carried forward to future tax years (amount 3E minus amount 3F)		380

Note 9: A farm loss expires after **20 tax years**.

Note 10: Line 335 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 business485

(line 485 – \$2,500)divided by 24A

Amount 4A or \$15,000, whichever is less4B

2,5004C

Subtotal (amount 4B plus amount 4C)2,5004D

Current-year restricted farm loss (line 485 minus amount 4D)4E

Continuity of restricted farm losses and request for a carryback

Restricted farm losses at the end of the previous tax year4F

Restricted farm loss expired (note 11)400

Restricted farm losses at the beginning of the tax year (amount 4F minus line 400)402

Restricted farm losses transferred on an amalgamation or on the wind-up of a subsidiary corporation405

Current-year restricted farm loss (from amount 4E)410

Enter line 410 on line 233 of Schedule 1, Net Income (Loss) for Income Tax Purposes.

Subtotal (line 405 plus line 410)4G

Subtotal (line 402 plus amount 4G)4H

Restricted farm losses from previous tax years applied against current farming income430

Enter line 430 on line 333 of the T2 return.

Section 80 – Adjustments for forgiven amounts440

Other adjustments450

Subtotal (total of lines 430 to 450)4I

Restricted farm losses before any request for a carryback (amount 4H minus amount 4I)4J

Request to carry back restricted farm loss to:

First previous tax year to reduce farming income941

Second previous tax year to reduce farming income942

Third previous tax year to reduce farming income943

Subtotal (total of lines 941 to 943)4K

Closing balance of restricted farm losses to be carried forward to future tax years (amount 4J minus amount 4K)480

Note

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

Note 11: A restricted farm loss expires after 20 tax years.

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		5A
Listed personal property loss expired (note 12)	500	
Listed personal property losses at the beginning of the tax year (amount 5A minus line 500)	502	
Current-year listed personal property loss (from Schedule 6)		510
	Subtotal (line 502 plus line 510)	5B
Listed personal property losses from previous tax years applied against listed personal property gains	530	
Enter line 530 on line 655 of Schedule 6.		
Other adjustments	550	
	Subtotal (line 530 plus line 550)	5C
	Listed personal property losses remaining before any request for a carryback (amount 5B minus amount 5C)	5D

Request to carry back listed personal property loss to:

First previous tax year to reduce listed personal property gains	961	
Second previous tax year to reduce listed personal property gains	962	
Third previous tax year to reduce listed personal property gains	963	
	Subtotal (total of lines 961 to 963)	5E
	Closing balance of listed personal property losses to be carried forward to future tax years (amount 5D minus amount 5E)	580

Note 12: A listed personal property loss expires after 7 tax years.

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
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

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
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), tick 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 2022-12-31	8,475,754	N/A		N/A	59,977		8,415,777
2nd preceding taxation year 2021-12-31		N/A		N/A			
3rd preceding taxation year 2020-12-31		N/A		N/A			
4th preceding taxation year 2019-12-31		N/A		N/A			
5th preceding taxation year		N/A		N/A			
6th preceding taxation year		N/A		N/A			
7th preceding taxation year		N/A		N/A			
8th preceding taxation year		N/A		N/A			
9th preceding taxation year		N/A		N/A			
10th preceding taxation year		N/A		N/A			
11th preceding taxation year		N/A		N/A			
12th preceding taxation year		N/A		N/A			
13th preceding taxation year		N/A		N/A			
14th preceding taxation year		N/A		N/A			
15th preceding taxation year		N/A		N/A			
16th preceding taxation year		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	8,475,754				59,977		8,415,777

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

Tax Calculation Supplementary – Corporations

Schedule 5

Corporation's name	Business Number	Tax year-end Year Month Day
Ellexicon Energy Inc.		2023-12-31

- 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.

Part 1 – Allocation of taxable income

100

Enter the regulation that applies (402 to 413).

A		B	C	D	E	F
Jurisdiction. (tick yes if your corporation had a permanent establishment in the jurisdiction during the tax year) Note 1		Total salaries and wages paid in jurisdiction	B multiplied by taxable income, divided by G	Gross revenue attributable to jurisdiction	D multiplied by taxable income, divided by H	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 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 406 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	37,807
Ontario special additional tax on life insurance corporations (from Schedule 512)		280	
		Subtotal (line 278 plus line 280)	37,807 5H
Total Ontario tax payable before refundable tax credits (amount 5G plus amount 5H)			37,807 5I
Ontario qualifying environmental trust tax credit		450	
Ontario co-operative education tax credit (from Schedule 550)		452	3,000
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 made manufacturing investment tax credit (from Schedule 572)		474	
		Ontario refundable tax credits (total of lines 450 to 474)	3,000 5J
Net Ontario tax payable or refundable tax credit (amount 5I minus amount 5J)		290	34,807
(if a credit, enter amount in brackets). Include this amount on line 255.			

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 34,807

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.

Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
Ellexicon Energy Inc.		2023-12-31

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	2 Identification number See note 1	3 Percentage assigned under the agreement
110	115	120
1. Ellexicon Energy Inc.		100.000
2. Ellexicon Corporation		
3. Ellexicon Group Inc.		
Total		100.000
Immediate expensing limit allocated to the corporation (see note 2)		125 1,500,000

Note 1: The identification number is the social insurance number, business number, or partnership account number of the EPOP.

Note 2: Multiply 1.5 million by the percentage assigned to your corporation in column 3. 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	Trans/dist before Feb 22/05	95,311,259						0
2.	1b	Building - Office	13,967,363	1,290,285					0
3.	2	GEN & DISTR < 1988	3,634,802						0
4.	8	Equipment	4,098,579	1,120,427	1,120,427				0
5.	10	Vehicles/Computer equipmet	2,930,932	1,656,252	1,656,252				99,036
6.	10.1	Vehicles#285 2008 ford escape	197						N/A
7.	10.1	Vehicles#284 2008 ford escape	197						N/A
8.	10.1	Vehicles#250 2009 silverado hybrid	286						N/A
9.	10.1	Vehicles#302 2009 ford escape	409						N/A
10.	12	Software		1,653,944	1,653,944				0
11.	13	Leasehold							0
12.	17	Yard improvements	191,303						0
13.	42	Fibre optics	1,305						0
14.	45	Computers>22-03-04<19-03-07	74						0
15.	47	Trans/dist acquired after Feb 22/05	240,958,765	35,589,158					391,446
16.	50	Computer Hardware and Systems	697,484	1,517,502	1,517,502				0
17.	43.2	Clean energy generation	2,317						0
18.	14.1	Eligible Capital Property	8,205,471	310,063					0
19.	95	WIP no depreciation taken	22,330,645			2,027,904			0
20.	46	ADMS software/equipment		440,039	440,039				0
Totals			392,331,388	43,577,670	6,388,164	2,027,904			490,482

	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 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 plus column 6 plus column 13 plus column 14 minus column 7) (if negative, enter "0") See note 14
1.	1	Trans/dist before Feb 22/05		95,311,259					95,311,259	
2.	1b	Building - Office		15,257,648			1,290,285	1,290,285	15,257,648	
3.	2	GEN & DISTR < 1988		3,634,802					3,634,802	
4.	8	Equipment		5,219,006	1,120,427	1,120,427			4,098,579	
5.	10	Vehicles/Computer equipmet		4,488,148	1,656,252	379,573	1,276,679	1,276,679	4,108,575	99,036
6.	10.1	Vehicles#285 2008 ford escape		197					197	
7.	10.1	Vehicles#284 2008 ford escape		197					197	
8.	10.1	Vehicles#250 2009 silverado hybrid		286					286	
9.	10.1	Vehicles#302 2009 ford escape		409					409	
10.	12	Software		1,653,944	1,653,944		1,653,944		1,653,944	
11.	13	Leasehold								
12.	17	Yard improvements		191,303					191,303	
13.	42	Fibre optics		1,305					1,305	
14.	45	Computers>22-03-04<19-03-07		74					74	
15.	47	Trans/dist acquired after Feb 22/05		276,156,477			35,589,158	35,589,158	276,156,477	391,446
16.	50	Computer Hardware and Systems		2,214,986	1,517,502		1,517,502	1,517,502	2,214,986	
17.	43.2	Clean energy generation		2,317					2,317	
18.	14.1	Eligible Capital Property		8,515,534			310,063	310,063	8,515,534	
19.	95	WIP no depreciation taken		24,358,549					24,358,549	
20.	46	ADMS software/equipment		440,039	440,039		440,039	440,039	440,039	
Totals				437,446,480	6,388,164	1,500,000	42,077,670	40,423,726	435,946,480	490,482

Part 2 – CCA calculation (continued)

	1 Class number	Description	17 Net capital cost additions of AIP 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 AIP 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 AIP 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) (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	Trans/dist before Feb 22/05				4	0	0	3,812,450	91,498,809
2.	1b	Building - Office	1,290,285	645,143		6	0	0	954,167	14,303,481
3.	2	GEN & DISTR < 1988				6	0	0	218,088	3,416,714
4.	8	Equipment				20	0	0	1,940,143	3,278,863
5.	10	Vehicles/Computer equipmet	1,177,643	588,822		30	0	0	1,788,792	2,699,356
6.	10.1	Vehicles#285 2008 ford escape				30	N/A	N/A	59	138
7.	10.1	Vehicles#284 2008 ford escape				30	N/A	N/A	59	138
8.	10.1	Vehicles#250 2009 silverado hybrid				30	N/A	N/A	86	200
9.	10.1	Vehicles#302 2009 ford escape				30	N/A	N/A	123	286
10.	12	Software				100	0	0	1,653,944	
11.	13	Leasehold				NA	0	0		
12.	17	Yard improvements				8	0	0	15,304	175,999
13.	42	Fibre optics				12	0	0	157	1,148
14.	45	Computers>22-03-04<19-03-07				45	0	0	33	41
15.	47	Trans/dist acquired after Feb 22/05	35,197,712	17,598,856		8	0	0	23,500,427	252,656,050
16.	50	Computer Hardware and Systems	1,517,502	758,751		55	0	0	1,635,555	579,431
17.	43.2	Clean energy generation				50	0	0	1,159	1,158
18.	14.1	Eligible Capital Property	310,063	155,032		5	0	0	497,620	8,017,914
19.	95	WIP no depreciation taken				0	0	0		24,358,549
20.	46	ADMS software/equipment	440,039	220,020		30	0	0	198,018	242,021
		Totals	39,933,244	19,966,624					36,216,184	401,230,296

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. Do not include any amount in column 3 in respect of property included in column 5 (see note 6).
- 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 and it is disposed of to a person or partnership with which you deal at arm's length, 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. The actual cost of the vehicle will be adjusted for payment or repayment of government assistance.
- 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 amount to enter in column 11 must not exceed the amount in column 10. If it does, enter in column 11 the amount from column 10. If the amount determined in column 10 is zero or a negative amount, enter zero. 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 RegulationsThe 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 respectively 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, 15, and 59, 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 (also known as the half-year rule or 50% rule) does not apply to certain property (including AIIP and property included in Classes 54 to 56). 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.

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	Employee Future Liability	5,815,591		539,600		6,355,191
2	Sick Leave Liability	1,109,800			16,100	1,093,700
3						
	Reserves from Part 2 of Schedule 13					
	Totals	6,925,391		539,600	16,100	7,448,891

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.

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
2023

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	2 Business number of associated corporations	3 Asso- ciation code	4 Business limit for the year before the allocation \$	5 Percentage of the business limit %	6 Business limit allocated* \$
	100	200	300		350	400
1	Ellexicon Energy Inc.		1	500,000		
2	Ellexicon Corporation		1	500,000	100.0000	500,000
3	Ellexicon Group Inc.		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 $0.225\% \times (C - \$10,000,000)$. 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.



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.
- Certain ITCs are eligible for a three-year carryback (if not deductible in the year earned) and are also eligible for a twenty-year carryforward. This does not apply to the clean economy ITCs, which are refundable tax credits.
- 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.
- Investments or expenditures for clean economy, described in sections 127.44 or 127.45, that earn an ITC are:
 - investment in carbon capture, utilization, or storage (CCUS) projects, for qualifying expenditures made after 2021 (Part 25)
 - investment in clean technology property that is acquired and that becomes available for use after March 27, 2023 (Part 24)
- 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. See subsection 127.44(9) for similar rules for capital cost for the CCUS ITC and subsection 127.45(5) for similar rules for capital cost for the clean technology ITC.
- 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 (AFU)** before a claim for an ITC can be made. See subsections 127(11.2), 127.45(4) and 248(19) for more information. The AFU rules do not apply to claims for the CCUS ITC.
- 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 an apprenticeship ITC or a clean economy 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.

Detailed information (continued)

- 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). See section 127.47 for rules that apply to partnerships for the clean economy ITCs generally. For more information on partnership allocations for CCUS ITC, see subsection 127.44(11), and for clean technology ITC, subsection 127.45(8).
- 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 clean technology ITC, Canada includes the exclusive economic zone of Canada only for property that is described in subparagraph d(v) or (xiv) of Class 43.1 in Schedule II of the Regulations.
- 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. 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). Certain 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 %
Clean economy ITCs	
To qualify for the investment tax credit rates below, corporations must elect (in prescribed form) to meet certain labour requirements – prevailing wage requirements and apprenticeship requirements. They must also attest (in prescribed form) to have met these requirements. Otherwise, the credit rate will be reduced by 10 percentage points.	
Clean technology	
If you invested in clean technology property that is acquired and that becomes available for use:	
after March 27, 2023, and before 2034	30%
after 2033 and before 2035	15%
CCUS (Part 25)	
If you incurred qualified carbon capture expenditures to capture carbon directly from ambient air:	
after 2021 and before 2031	60%
after 2030 and before 2041	30%
If you incurred qualified carbon capture expenditures to capture carbon other than directly from ambient air:	
after 2021 and before 2031	50%
after 2030 and before 2041	25%
If you incurred qualified expenditures for carbon transportation, use, or storage:	
after 2021 and before 2031	37.5%
after 2030 and before 2041	18.75 %

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 year5A

Credit deemed as a remittance of co-op corporations210

Credit expired215

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 subsidiary230

ITC from repayment of assistance235

Qualified property (amount 4A) x 10 % =240

Credit allocated from a partnership250

Subtotal (total of lines 230 to 250)5C

Total credit available (line 220 plus amount 5C)5D

Credit deducted from Part I tax260

Credit carried back to previous years (amount 6A)5E

Credit transferred to offset Part VII tax liability280

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					6A
Enter at amount 5E.					

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 include in line 780 of the T2 return if you do not claim an SR&ED ITC refund).

SR&ED

Part 8 – Qualified SR&ED expenditures

Qualified SR&ED expenditures (line 559 on Form T661)2,393,673

Contributions to agricultural organizations for SR&ED

Deduct:

Government assistance, non-government assistance, or contract payment

Subtotal

x80 %

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)*2,393,6733502,393,673

Repayments made in the year (from line 560 on Form T661)370

Total qualified SR&ED expenditures (line 350 plus line 370)3802,393,673

* 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?385YesXNo

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 yearminus \$10 million.398

If this amount is nil or negative, enter "0". If this amount is over \$40 million, enter \$40 million

Part 10 – SR&ED expenditure limit for a CCPC

For a stand-alone (not associated) corporation

\$ 40,000,000 minus line 398 in Part 910A

Amount 10A divided by \$ 40,000,00010B

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 year365 = 10D

365

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** 2,393,673 x 15 % = 359,051 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) 359,051 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 815,018 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** 815,018

Credit transferred on an amalgamation or the wind-up of a subsidiary **530**

Total current-year credit (from amount 11G) **540** 359,051

Credit allocated from a partnership **550**

Subtotal (total of lines 530 to 550) ► 359,051 12C

Total credit available (line 520 **plus** amount 12C) 1,174,069 12D

Credit deducted from Part I tax **560**

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) ► 12F

Credit balance before refund (amount 12D **minus** amount 12F) 1,174,069 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** 1,174,069

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

Include the total of line 310 in Part 5 and line 610 in Part 12 in 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)	.....	1,174,069	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 include it in 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	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)	Amount from column 700 or 710, whichever is less
700	710	
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	B	C	D	E	F
Rate that the transferee used in determining its ITC for qualified expenditures under a subsection 127(13) agreement	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	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.)	Amount determined by the formula (A x B) – C	ITC earned by the transferee for the qualified expenditures that were transferred	Amount from column D or E, whichever is less
720	730	740		750	
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)		17D
Enter at amount 26A.		

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)	B Name of eligible trade	C Eligible salary and wages*	D Column C x 10 %	E Lesser of column D or \$ 2,000	
601	602	603	604	605	
Total current-year credit (total of column E) Enter on line 640 in Part 20.					19A

* 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 4,000 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 4,000

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) 4,000 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 4,000

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 20E.					21A

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) 23B
Enter at amount 26B.

Clean technology

Part 24 – Clean technology ITC

Clean technology ITC155

Include in line 780 of the T2 return.

Carbon Capture, Utilization, and Storage

Part 25 – Carbon capture, utilization, and storage ITC

Carbon capture, utilization, and storage ITC200

Include in line 780 of the T2 return.

Summary of Investment Tax Credits

Part 26 – Total recapture of investment tax credit

Recaptured SR&ED ITC (amount 17D)26A

Recaptured child care spaces ITC (amount 23B)26B

Total recapture of investment tax credit (amount 26A plus amount 26B)26C

Enter on line 602 of the T2 return.

Part 27 – Total ITC deducted from Part I tax

ITC from investments in qualified property deducted from Part I tax (line 260 in Part 5)27A

ITC from SR&ED expenditures deducted from Part I tax (line 560 in Part 12)27B

ITC from pre-production mining expenditures deducted from Part I tax (line 885 in Part 18)27C

ITC from apprenticeship job creation expenditures deducted from Part I tax (line 660 in Part 20)27D

ITC from child care space expenditures deducted from Part I tax (line 785 in Part 22)27E

Total ITC deducted from Part I tax (total of amounts 27A to 27E)27F

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)

359,051

Applied
current year
(B)

Claimed
as a refund
(C)

Carried back
(D)

ITC end
of year
(A-B-C-D)

359,051

Prior years

Taxation year

ITC beginning
of year
(E)

Adjustments
(F)

Applied
current year
(G)

ITC end
of year
(E-F-G)

2022-12-31

350,405

350,405

2021-12-31

240,158

240,158

2020-12-31

224,455

224,455

2019-12-31

Total

815,018

815,018

$$B+C+D+G$$

Total ITC utilized

* The **ITC end of year** includes the amount of ITC expired from the 20th preceding year. 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.

Taxable Capital Employed in Canada – Large Corporations

Corporation's name	Business number	Tax year-end Year Month Day
Ellexicon Energy Inc.		2023-12-31

- 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		
Capital stock (or members' contributions if incorporated without share capital)	103	98,796,044	
Retained earnings	104	63,649,790	
Contributed surplus	105	77,871,812	
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)		240,317,646	240,317,646 A

Note:

Line 112 is determined by the formula $(A - B) \times C/D$ (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) 240,317,646 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	240,317,646

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:
- 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).
 - 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.
 - 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)		240,317,646 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	240,317,646

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)

240,317,646

x

Taxable income earned
in Canada

610

1,000

=

Taxable capital
employed in Canada

690

240,317,646

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.

Shareholder Information

Corporation's name	Business number	Tax year-end Year Month Day
Ellexicon Energy Inc.		2023-12-31

- 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)	Business number or partnership account number (9 digits, 2 letters, and 4 digits. If not registered, enter "NR")	Social insurance number (9 digits)	Trust number (T followed by 8 digits)	Percentage common shares	Percentage preferred shares
	100	200	300	350	400	500
1	Ellexicon Corporation				100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

Ontario Research and Development Tax Credit

Corporation's name	Business number	Tax year-end Year Month Day
Ellexicon Energy Inc.		2023-12-31

- 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	2,480,490	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")		2,480,490	C
Eligible expenditures transferred to the corporation by another corporation	110		D
Subtotal (amount C plus amount D)		2,480,490	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	2,480,490	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 _____ x 4.5 % = _____ % 1

Number of days
in the tax year 241 _____

Number of days
in the tax year
after May 31, 2016 242 _____ x 3.5 % = _____ % 2

Number of days
in the tax year 243 _____

Subtotal (percentage 1 plus percentage 2) _____ % 3

Repayments for a tax year that ends on or after
June 1, 2016 and includes May 31, 2016 211 _____ x percentage 3 _____ % = 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 x 4.5 % = % 4

Number of days
in the tax year

Number of days
in the tax year
after May 31, 2016 x 3.5 % = % 5

Number of days
in the tax year

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) 2,480,490 x 3.5 % = **202** 86,817 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** 86,817 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 year134,058 Y

ORDTC expired after 20 tax years300 Z

ORDTC at the beginning of the tax year (amount Y minus amount Z)305134,058 AA

ORDTC transferred to the corporation on amalgamation or windup310 BB

Current part of ORDTC86,817 CC
(amount P, T or X in Part 3 whichever applies)

Are you waiving all or part of the current part of the ORDTC?

315

 Yes ☐ No ☒

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)86,81786,817 EE

ORDTC available for deduction (total of amounts AA, BB and EE)220,875220,875 FF

ORDTC claimed **GG
(Enter amount GG on line 416 on page 5 of Schedule 5, *Tax Calculation Supplementary – Corporations*)

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)325220,875 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			
1 st previous tax year	2022	12	31	Credit to be applied	901	
2 nd previous tax year	2021	12	31	Credit to be applied	902	
3 rd previous tax year	2020	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.

[illegible]

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 ORDC

You will have a recapture of ORDTTC 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	PP	QQ
	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	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	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

	RR	SS	TT
	Amount determined by the formula (OO x PP) - QQ (using the columns above)	Federal ITC earned by the transferee for the qualified expenditure that was transferred	Amount from column RR or SS, whichever is less
1.		750	

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 ORDTG (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	1,809,425
Add	
• payment of prior years' unpaid expenses (other than salary or wages)	+
• prescribed proxy amount (Enter "0" if you use the traditional method)	+ 744,764
• other additions	+
Subtotal	= 2,554,189
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	- 73,699
• 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	= 2,480,490 I

Enter amount I on line 100 of Schedule 508.



Ontario Corporate Minimum Tax

Corporation's name	Business number	Tax year-end Year Month Day
Ellexicon Energy Inc.		2023-12-31

- 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	887,565,402
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	115,152,500
Total assets (total of lines 112 to 116)		1,002,717,902
Total revenue of the corporation for the tax year **	142	509,401,030
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	12,344,276
Total revenue (total of lines 142 to 146)		521,745,306

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	5,555,416
Add (to the extent reflected in income/loss):				
Provision for current income taxes/cost of current income taxes	220	446,499		
Provision for deferred income taxes (debits)/cost of future income taxes	222			
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	446,499		446,499 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	4,601,662		
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	382			
383	384			
385	386			
387	388			
389	390			
	Subtotal	4,601,662		4,601,662 B
Adjusted net income/loss for CMT purposes (line 210 plus amount A minus amount B)			490	1,400,253
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 <i>Ontario Regulation 37/09</i> , 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 <i>Bank Act</i> , 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 GIF1 (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** 1,400,253

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** 1,400,253

Amount from line 520 1,400,253 x $\frac{\text{Number of days in the tax year before July 1, 2010}}{\text{Number of days in the tax year}}$ 365 x 4 % = 1

Amount from line 520 1,400,253 x $\frac{\text{Number of days in the tax year after June 30, 2010}}{\text{Number of days in the tax year}}$ 365 x 2.7 % = 37,807 2

Subtotal (amount 1 **plus** amount 2) 37,807 3

Gross CMT: amount on line 3 above x OAF ** **540** 37,807

Deduct:

Foreign tax credit for CMT purposes *** **550**

CMT after foreign tax credit deduction (line 540 **minus** line 550) (if negative, enter "0") 37,807 D

Deduct:

Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)

Net CMT payable (if negative, enter "0") 37,807 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 *	1,661,622	G
Deduct:		
CMT credit expired *	600	
CMT credit carryforward at the beginning of the current tax year * (see note below)	1,661,622	620 1,661,622
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)		1,661,622 H
Deduct:		
CMT credit deducted in the current tax year (amount P from Part 5)		I
	Subtotal (amount H minus amount I)	1,661,622 J
Add:		
Net CMT payable (amount E from Part 3)	37,807	
SAT payable (amount O from Part 6 of Schedule 512)		
	Subtotal	37,807 K
CMT credit carryforward at the end of the tax year (amount J plus amount K)	670	1,699,429 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)		1,661,622	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)	37,807	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:	37,807	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)		3,000	
	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.

ONTARIO CORPORATE MINIMUM TAX – TOTAL ASSETS
AND REVENUE FOR ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
Ellexicon Energy Inc.		2023-12-31

- 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		Business number (Canadian corporation only) (see Note 1)	Total assets* (see Note 2)	Total revenue** (see Note 2)
200		300	400	500
1	Ellexicon Corporation		110,291,923	7,159,179
2	Ellexicon Group Inc.		4,860,577	5,185,097
		450	550	
		Total	115,152,500	12,344,276

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.

ONTARIO CO-OPERATIVE EDUCATION TAX CREDIT

Name of corporation	Business Number	Tax year-end Year Month Day
Ellexicon Energy Inc.		2023-12-31

- 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
	(905) 427-9870

Is the claim filed for a CETC earned through a partnership? 150 1 Yes ☐ 2 No ☒

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 ☒	2 No ☐
2. Was the corporation exempt from tax under Part III of the <i>Taxation Act, 2007</i> (Ontario)?	210	1 Yes ☐	2 No ☒

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

28,070,000

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 %

×

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 %

×

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		B Name of qualifying co-operative education program
400		405
1.		Powerline Technician
2.		

C Name of student	D Start date of WP (see note 1 below)	E End date of WP (see note 2 below)
410	430	435
1.		
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)		F2 Eligible expenditures after March 26, 2009 (see note 1 below)		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)
	450		452			
1.		10.000 %		25.000 %		17
2.		10.000 %		25.000 %		

	G Eligible amount (eligible expenditures multiplied by eligible percentage) (see note 2 below)	H Maximum CETC per WP (see note 3 below)	I CETC on eligible expenditures (column G or H, whichever is less)	J CETC on repayment of government assistance (see note 4 below)	K CETC for each WP (column I or column J)
	460	462	470	480	490
1.		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.

Ontario Made Manufacturing Investment Tax Credit

Corporation's name	Business number	Tax year-end Year Month Day
Ellexicon Energy Inc.		2023-12-31

- If you are a qualifying corporation that invested in capital property that became available for use after March 22, 2023, use this schedule to claim a refundable tax credit. The credit rate is 10% and applies to eligible expenditures of up to \$20 million in the tax year.
- The criteria to be a **qualifying corporation** are set out in subsection 97.2(3) of the Taxation Act, 2007 (Ontario). A qualifying corporation is a Canadian-controlled private corporation (CCPC) throughout the tax year that carries on business in Ontario in the tax year through a permanent establishment in Ontario. For this credit, a permanent establishment is an office, a factory, a workshop, or a place in Ontario where the corporation uses substantial machinery or equipment. It is not exempt from tax under Part III of the Taxation Act, 2007, for the tax year. Predecessor corporations in an amalgamation must have been qualifying corporations at the time the expenditures were incurred for their expenditures to qualify for the credit. A credit cannot be claimed for property for which the corporation or an associated corporation had previously made a claim.
- A qualifying corporation that is associated with one or more other qualifying corporations for a particular tax year must enter into an agreement with all those corporations to designate the amount under subsection 97.2(7) for each tax year ending in that calendar year. Use Part 1 of this schedule to allocate the designated amount. An associated CCPC that has more than one tax year ending in a calendar year should refer to subsection 97.2(9).
- Eligible property** is certain capital property included at the end of the tax year in capital cost allowance class 1 or class 53 (class 43(a) after 2025). Expenditures for class 1 include costs for constructing, renovating or acquiring a qualifying building, or part of a building, located in Ontario and that became available for use in the tax year and after March 22, 2023. At least 90% of the floor space of the building must be used at the end of the tax year to manufacture or process goods for sale or lease. Paragraph 1100(1)(a.1) of the federal Income Tax Regulations must apply to the building or part of a building because of an election under subsection 1101(5b.1).
- Expenditures for class 53 are for machinery and equipment acquired after March 22, 2023, and that became available for use in the tax year and before 2026. Expenditures for class 43(a) are for machinery and equipment that are acquired and that become available for use in the tax year and after 2025. The machinery and equipment must be acquired for use in Ontario primarily to manufacture or process goods. The property cannot be excluded property, such as any property acquired under a contract with a person or partnership the corporation does not deal at arm's length with at the time the property was acquired.
- Property has to become available for use by the corporation, as determined under subsection 13(26) of the federal Income Tax Act, after March 22, 2023.
- To claim the credit, file this schedule with your T2 Corporation Income Tax Return.

Part 1 – Agreement between associated corporations

Were you associated in the tax year with one or more other qualifying corporations? **050** Yes ☒ No ☐

If you answered **yes**, fill in Part 1. Otherwise, go to Part 2.

If you have entered into an agreement under subsection 97.2(7), enter the expenditure limit allocated to each associated corporation (including your corporation) according to the agreement. If not, enter "0" at line 120 and go to Part 2.

The expenditure limit allocated will be used to allocate the tax credit. The total of all the expenditure limits allocated under the agreement must not be more than \$20 million. If it is more than \$20 million, then each member of the associated group has a nil tax credit.

	Name of associated corporation	Business number of associated corporation	Expenditure limit allocated
	100	105	110
1	Ellexicon Energy Inc.		
2	Ellexicon Corporation		20,000,000
3	Ellexicon Group Inc.		
Total (cannot be more than \$20 million)			20,000,000

Expenditure limit allocated to the corporation ^{Note 1} **120**

Note 1: The amount on line 120 is "0" if the total of line 110 is more than \$20 million or you are associated in the tax year with one or more other corporations and did not file an agreement in prescribed form as required under subsection 97.2(7) of the Taxation Act (2007).

- Part 2 – Eligible property acquired in the current tax year

CCA class No. (1 or 53)	Description of eligible property	Acquisition date Note 2	Capital cost
101		103 Year Month Day	104

Total capital cost of eligible property A

Expenditure limit ^{Note 3} B

Amount A or B, whichever is less C

Ontario made manufacturing investment tax credit

$$\text{Amount C} \times \frac{\text{Number of days in the current tax year}}{365} \times 10\% = \dots\dots\dots \mathbf{106}$$

Enter the amount from line 106 on line 474 of Schedule 5, Tax Calculation Supplementary – Corporations.

Note 2: The acquisition date is the date that the property became available for use. The available-for-use date must be within the current tax year.

Note 3: If the corporation is not associated, enter \$20 million. If the corporation is associated, enter amount from line 120.

Corporate Taxpayer Summary

Corporate information

Corporation's name

Ellexicon Energy Inc.

Taxation Year

2023-01-01

to

2023-12-31

Jurisdiction

Ontario

BC	AB	SK	MB	ON	QC	NB	NS	NO	PE	NL	XO	YT	NT	NU	OC
☐	☐	☐	☐	☒	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

Corporation is associated

Y

Corporation is related

Y

Number of associated corporations

2

Type of corporation

Canadian-Controlled Private Corporation

Total amount due (refund) federal and provincial*

-365,193

* The amounts displayed on lines "Total amount due (refund) federal and provincial" are all listed in the help. Press F1 to consult the context-sensitive help.

Summary of federal information

Net income	239,909
Taxable income	
Donations	448,116
Calculation of income from an active business carried on in Canada	239,909
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	
Balance of the general rate income pool at the end of the year	
Part I tax (base amount)	

Credits against Part I tax	Summary of tax	Refunds/credits
Small business deduction	Part I	ITC refund
M&P deductions	Part IV	Dividends refund:
Foreign tax credit	Part III.1	– Eligible dividends
Investment tax credits	Other*	– Non-eligible dividends
Abatement/Other*	Provincial or territorial tax	Instalments
	34,807	Other*
		Balance due/refund (–)
		-365,193

* 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

Charitable donations	698,771
Investment tax credits	1,178,069
Non-capital losses	8,415,777
Financial statement reserve	7,448,891

Summary of provincial information – provincial income tax payable

	Ontario	Québec (CO-17)	Alberta (AT1)
Net income	239,909		
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***	37,807		
Instalments and refundable credits	3,000		
Balance due/Refund (-)	34,807		

Logging Operations Return (COZ-1179)

Logging 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	
Ontario research and development tax credit – Schedule 508	220,875
Corporate minimum tax credit that can be carried forward over 20 years – Schedule 510	1,699,429

Summary – taxable capital

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	Taxable capital used to calculate line 120 in Schedule 65
Ellexicon Energy Inc.	239,619,758	239,619,758	240,317,646	240,317,646	
Ellexicon Corporation	96,513,890	96,513,890	92,329,321	92,329,321	
Ellexicon Group Inc.	5,229,411	5,229,411	3,165,292	3,165,292	
Total	341,363,059	341,363,059	335,812,259	335,812,259	

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 Forms CO-1029.8.33.CS and CO-1029.8.33.TE	Paid-up capital used to calculate the \$1 million deduction (CO-1137.A and CO-1137.E)
Total			

Ontario

Corporate name	Specified capital used to calculate the expenditure limit – Ontario innovation tax credit (Schedule 566)
Ellexicon Energy Inc.	242,740,674
Ellexicon Corporation	
Ellexicon Group Inc.	
Total	242,740,674

Alberta

Corporate name	Taxable capital used to calculate the Alberta innovation employment grant (Schedule A29)
Total	

Other provinces

Corporate name	Capital used to calculate the Newfoundland and Labrador capital deduction on financial institutions (Schedule 306)	Capital used to calculate the Nova Scotia basic capital deduction on financial institutions (Schedule 353)
Total		

Five-Year Comparative Summary

	Current year	1st prior year	2nd prior year	3rd prior year	4th prior year
Federal information (T2)					
Taxation year end	2023-12-31	2022-12-31	2021-12-31	2020-12-31	2019-12-31
Net income	239,909	-8,475,754	1,764,740	30,314	-212,338
Taxable income					
Active business income	239,909		1,764,740	30,314	
Dividends paid			12,793,750	9,869,812	6,936,558
Dividends paid – Regular			12,793,750	9,869,812	6,936,558
Dividends paid – Eligible					
LRIP – end of the previous year					
LRIP – end of the year					
GRIP – end of the previous year					
GRIP – end of the year					
Donations	448,116	430,587	423,718	378,452	108,455
Balance due/refund (-)	-365,193	-12,000	-23,158	-103,952	-220,314
Line 996 – Amended tax return	☐	☐	☐	☐	☐
Loss carrybacks requested in prior years to reduce taxable income					
Taxation year end	2023-12-31	2022-12-31	2021-12-31	2020-12-31	2019-12-31
Taxable income before loss carrybacks	N/A	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 loss carried back to prior years	N/A	N/A			
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	2023-12-31	2022-12-31	2021-12-31	2020-12-31	2019-12-31
Adjusted taxable income before current year loss carrybacks*	N/A				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				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	2023-12-31	2022-12-31	2021-12-31	2020-12-31	2019-12-31
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	2023-12-31	2022-12-31	2021-12-31	2020-12-31	2019-12-31
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	2023-12-31	2022-12-31	2021-12-31	2020-12-31	2019-12-31
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-sensitive help.

Credits against Part I tax

Taxation year end	2023-12-31	2022-12-31	2021-12-31	2020-12-31	2019-12-31
Small business deduction					
M&P deductions					
Foreign tax credit					
Investment tax credit					
Abatement/other*					

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.

Refunds/credits

Taxation year end	2023-12-31	2022-12-31	2021-12-31	2020-12-31	2019-12-31
ITC refund					67,982
Dividend refund					
– Eligible dividends					
– Non-eligible dividends					
Instalments	400,000	630,093	550,000	400,000	350,000
Other*					

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.

Ontario					
Taxation year end	2023-12-31	2022-12-31	2021-12-31	2020-12-31	2019-12-31
Net income	239,909	-8,475,754	1,764,740	30,314	-212,338
Taxable income					
% Allocation	100.00	100.00	100.00	100.00	100.00
Attributed taxable income					
Surtax					
Income tax payable before deduction					
Income tax deductions /credits					
Net income tax payable					
Taxable capital					
Capital tax payable					
Total tax payable*	37,807	630,093	531,138	298,928	201,463
Instalments and refundable credits	3,000	12,000	4,296	2,880	3,795
Balance due/refund**	34,807	618,093	526,842	296,048	197,668
* 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.					

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 6-STAFF-149

Tax Loss Carry Forward Balance Adjustment : 1511 Cloud Computing

Implementation Costs Deferral Account

Ref 1: Exhibit 4 / Tab 1 / Schedule 6 / Appendix A / p 1

Ref 2: Exhibit 4 / Tab 1 / Schedule 6 / Appendix A / p 10 / table 4

Ref 3: Exhibit 6 / Tab 2 / Schedule 1 / pdf p 17

Ref 4: Exhibit 6 / Tab 2 / Schedule 1 / pdf pp 21-22

Ref 5: EE_Exhibit 6-2-1(1)_PILS Workform_20251219 / tabs H4 Sch 4 Loss Cfwd Hist and B4 Sch 4 Loss

Cfwd Bridge

Ref 6: Exhibit 9 / Tab 3 / Schedule 2 / p 3

Preamble:

In Ref 1, Elexicon stated that “given the cloud-based nature of this platform, such costs are not capitalizable.”

In Ref 6, Elexicon proposed full recovery of \$42 million as also shown in Ref

2. In Ref 4,

Elexicon stated that “from a tax perspective, the impact of this spending is a decrease to Net Income, and a decrease to PILs owed. These tax reductions are directly tied to expenses incurred by Elexicon to implement Dx NEXT through increased tax losses and should be used to offset the tax payments due on recovery of Dx NEXT costs through rate riders upon approval of the Cloud Computing Implementation Costs deferral account.” OEB Staff notes that tax loss carry forward adjustments of \$17.3 million in 2025 and \$8.2 million in 2026 have been included in Ref

5. In Ref 3, Elexicon stated that “in the event the credit balance in Account 1592 -Sub-account Accelerated CCA were disposed

1 of in full, and tax loss carry forward balances derived from Accelerated CCA were
2 subsequently used to reduce PILs in rates in 2027 and beyond, ratepayers would effectively be credited
3 the tax benefits of Accelerated CCA twice.”
4

5 Questions:

6 a) Please confirm whether the forecast spending of \$15.64 million in 2025 and \$6.87 million in 2026
7 related to the Cloud Computing Implementation Costs is fully treated as OM&A for both accounting and
8 tax purposes.

9 i) If so, please confirm the impact on revenue requirement including PILs

10 ii) If not, please identify the amounts that have been capitalized and explain the impacts on rate base,
11 revenue requirement, including PILs.

12 b) Please provide a spreadsheet with formulas redacted supporting the calculation
13 of the tax loss carry forward adjustments of \$17,366,758 in 2025 and \$8,178,447 in 2026.

14 c) Given that the \$42 million is proposed to be recovered from customers through a
15 rate rider, and that tax loss carry forward adjustments are also included in 2025
16 and 2026, please explain whether these treatments result in any double counting of recovery from
17 customers, and if not, how double counting is avoided.
18
19

20 **RESPONSE:**

21 a) Yes, the forecast spending of \$15.64 million in 2025 and \$6.87 million in 2026 related to Cloud
22 Computing Implementation Costs are treated as OM&A from a tax perspective as they are
23 considered a tax deduction in the tax return. In IFRS and MIFRS, the costs incurred are treated as
24 OM&A but are then deferred to the Cloud Computing Implementation Costs Deferral Account.
25 The 2025 actual and 2026 updated projected implementation costs have been factored into the
26 PILs model update.

27 i. Implementation cost: As noted in Exhibit 6 - Tab 2 - Schedule 1 - Page 1 - Table 1, Elexicon
28 has nil PILS requirement in rates as it is offsetting the PILS requirement through tax loss
29 carry forward balances. As noted in Exhibit 6 - Tab 2 - Schedule 1 - Page 7, the tax

1 deductions related to implementation costs increase the tax loss carry forward balance.
2 The tax loss carry forward balance is being adjusted to offset the tax liability that are due
3 on the collection of the implementation balances in the Cloud Computing Implementation
4 Costs Deferral Account on rate rider commencement.

5 Since the costs related to implementation are removed from OM&A in IFRS and MIFRS
6 into the Account, these costs have no impact on the revenue requirement calculation.
7 The deferred amounts have a bill impact and are proposed to be collected over 10 years
8 through a rate rider. Please refer to 9-Staff-169 on the recovery period proposal.

9 ii. N/A
10

11 b) Elexicon understands the question to be seeking unredacted formulae for tax loss carry forward
12 amounts, rather than redacted. The tax loss carry forward adjustments relate to cloud computing
13 cost plus carrying charges in the Account balance. 6-Staff-149(1)_Tax Deduction Cloud Computing
14 DVA.

15
16 c) Please refer to response in part a, i). Elexicon has Nils PILS requirement in rates. There is no double
17 counting related to the tax losses for the Cloud Computing Implementation Costs Deferral
18 Account as these losses will be used to offset the future tax liabilities that are due on recovery of
19 the rate riders.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 6-STAFF-150

PILs Model

Ref 1: EE_Exhibit 6-2-1(1)_PILS Workform_20251219

Ref 2: 2027 Income Tax/PILS Workform

Preamble: Elexicon filed its PILs model using the 2026 Income Tax/PILs Workform. Subsequent to the filing of the Application, the OEB released the 2027 Income Tax/PILs Workform.

Questions:

a) Please re-file the PILs model using the 2027 Income Tax/PILs Workform. Identify and explain any resulting changes to the PILs calculation.

If the use of the 2027 workform results in changes that affect responses to other tax- or revenue requirement related Interrogatories, please identify the affected Interrogatories and provide updated responses as necessary.

RESPONSE:

This interrogatory will be responded to in the second round.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 7-STAFF-151

Seasonal Residential Density Factors

Ref. 1: Exhibit 7, Section 2.4, Cost Allocation Model I-6.2

Ref. 2: Exhibit 7 / Tab 1 / Schedule 1 / Section 2.4 / p. 20 of 25 (PDF p. 20)

Question(s):

a) Please explain the rationale for the Seasonal Residential density factors, including:

i. Poles (10.0)

ii. Overhead conductors (5.6)

iii. Underground conductors (1.7)

iv. transformers (5.1)

b) Please explain why these factors materially exceed those of permanent Residential customers.

c) Please provide the underlying evidence supporting the Seasonal Residential density assumptions, including:

i. average customers per km of line

ii. average assets per customer

d) Please provide a sensitivity analysis showing the impact on allocated costs and revenue-to-cost ratios if:

i. Seasonal Residential density factors were reduced by 25%.

ii. Seasonal Residential density factors were increased by 25%.

1 **RESPONSE:**

2 a) The Seasonal Residential density factors account for the greater share of costs per customer
3 among customers in that rate class. The density factors are applied in the cost allocation model
4 to allocate a higher proportion of costs that are classified as customer-related to these customers
5 to reflect the increased usage of those assets among Seasonal Residential customers than other
6 customer classes.

7
8 i. The pole density factor is the ratio of the number of poles per metered customer in the
9 rural Gravenhurst region divided by the number of poles per metered customer among
10 customers outside of this area.

11
12 ii. The overhead conductor density factor is the ratio of the length of overhead line per
13 metered customer in the rural Gravenhurst region divided by the length of overhead line
14 per metered customer among customers outside of this area.

15
16 iii. The underground conductor density factor is the ratio of the length of underground line
17 per metered customer in the rural Gravenhurst region divided by the length of
18 underground line per metered customer among customers outside of this area.

19
20 iv. The transformer density factor is the ratio of the number of transformers per metered
21 customer in the rural Gravenhurst region divided by the number of transformers per
22 metered customer among customers outside of this area.

23
24 b) The criteria for customers to be included in the Seasonal Residential rate class is not specifically
25 linked to density. The costs to serve a Seasonal Residential customer in the Rural Gravenhurst
26 area are not materially different from the costs to serve a permanent Residential customer in the
27 same area, however, those customers fall under the Veridian Residential rate classification. There
28 are fewer customers within the Rural Gravenhurst area relative to other areas in Elexicon's service

area of comparable size, so the average number of poles and transformers and average length of overhead and underground conductors are higher on a per customer.

c) i. and ii. The requested information is provided in Table 1 below:

Table 1: Evidence Supporting Seasonal Residential Density Assumptions

Asset Category	Measure	Elexicon (Less Seasonal)	Seasonal Residential	Ratio
Poles	Quantity of Poles per customer	0.21	2.12	10.01
OH Conductors	Length of Line km per customer	26.06	147.95	5.58
UG Conductors	Length of Line km per customer	14.56	24.64	1.68
Transformers	Quantity of Transformers per customer	0.12	0.64	5.13

d) i. and ii. The revenue-to-cost ratios for the requested scenarios are provided in Table 2 below.

Table 2: R/C Ratio Sensitivity Analysis

Scenario	Revenue-to-Cost Ratio
Reduced by 25%	110.33%
Proposed Density Factors	93.60%
Increased by 25%	90.15%

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 7-STAFF-152

EV Load Coincidence

Ref. 1: Exhibit 3, Appendix A

Ref. 2: Exhibit 7, Tab 1, Schedule 1, Section 2.3

Preamble:

The methodology for deriving the 2027 hourly load shape is to remove forecast incremental EV and heat pump load from the total forecast, applying the historical load profile to the remaining load, and then re-allocating incremental heating and EV load across hours based on weather sensitivity and assumed charging patterns.

Question(s):

- a) Please explain how forecast EV load is treated for purposes of peak demand and cost allocation, including:
 - i. Assumed coincidence of EV charging with system peak; and
 - ii. How EV load is reflected in CP and NCP allocators used in the cost allocation model.

RESPONSE:

- a) Residential EV consumption is split into two profiles, one of which is based on charging during ULO off-peak hours, with half of Residential EV load spread across ULO-off peak hours and the other half is spread equally across all hours of the year. This produces a profile in which Residential EV demand is primarily outside system peak hours, aligned with ULO-off peak hours, with demand during on-peak hours approximately 65% lower than off-peak demand. For example, the 2027 hourly on-peak demand of EV charging for the Residential class is 1.8MW and off-peak demand is

1 5.2MW. EV demand of all other applicable classes is spread equally across all hours of the year by
2 dividing forecast EV consumption by the number of hours in the year.

3
4 b) Forecast EV load is included in CP and NCP allocators as they are added to weather-normalized
5 hourly load profiles as calculated in Exhibit 7 - Tab 1 - Schedule 1 - Attachment 2, "Load Profiles
6 for Demand Allocators". For all classes except Residential, the added load is equal to forecast
7 consumption divided by the number of hours in the year, times the number of months considered
8 in the CP/NCP value. For the Residential class, more EV demand is included in off-peak hours
9 which results in more EV demand added in NCP than CP values.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 7-STAFF-153

Revenue to Cost Ratios

Ref. 1: Exhibit 7 / Tab 1 / Schedule 1 / Section 4.2 / p. 24 of 25 (PDF p. 24)

Preamble:

The revenue-to-cost ratio for the Sentinel Light class is proposed to decline from 96.28% to 91.87% in 2027, while several other rate classes, including Residential, are proposed to increase to 97.08%. This outcome appears inconsistent with the OEB's general policy objective of gradually moving revenue-to-cost ratios toward 100%.

Question(s):

a) Please explain whether the proposed Sentinel Light revenue-to-cost ratio was intentionally reduced as part of an overall mitigation strategy.

b) What alternative mitigation measures were considered to address bill impacts for Seasonal Residential customers or other affected classes, aside from revenue-to-cost ratio adjustments.

c) Why cost responsibility for mitigation was allocated in this manner across rate classes, including the rationale for increasing Residential revenue-to-cost ratios to offset reductions elsewhere.

RESPONSE:

- a) Confirmed, as described on the referenced page: "As discussed further in Exhibit 8 - Tab 1 - Schedule 1, rates for the Sentinel Light rate class at the cost allocation study ratio of 96.28% result in total bill impact that exceeds 10%. Accordingly, the revenue-to-cost ratio of this class is reduced such that the total bill impact for an average customer is equal to 10%."

1 b) The timeframe for Elexicon's disposition of deferral and variance accounts is designed to mitigate
2 bill impacts. Elexicon is proposing to dispose of the PILs variance accounts over one year, providing
3 negative rate riders to customers. Other group 2 accounts are disposed over 5 years to reduce bill
4 impacts in 2027.

5
6 c) The revenue-to-cost ratio was increased for the Residential, Seasonal Residential, and Large Use
7 rate classes because they are the classes with the lowest revenue-to-cost ratios. As described in
8 Exhibit 8 - Tab1 - Schedule 1 - page 46, the revenue reallocated from the Sentinel rate class to
9 other classes is small and does not impact rates of the Residential or Seasonal Residential rate
10 classes after rounding.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 8-STAFF-154

Rate Harmonization

Ref: Exhibit 8 / Rate Design Overview / pp. 1-3 (PDF pp. 1-3)

Question(s):

- a) Please explain why rate harmonization in 2027 was selected instead of a phased approach.
- b) Please quantify the incremental bill impacts avoided or incurred compared to a 3-year and 5-year phase-in.

RESPONSE:

a) As discussed in Exhibit 8 - Tab 1 - Schedule 1, Elexicon's customers did not exhibit a clear preference in approach to rate harmonization (i.e. whether paced or immediate) when provided with a table of the cost impact of the two options during Phase 2 of the customer engagement. Elexicon elected to propose harmonization in 2027 because the estimated rate impacts showed that it resulted in lower impacts for former Whitby customers in the early years of the rate term with a relatively small upwards change in the distribution charges for former Veridian customers. This pattern is shown in the tables in part b) below. Harmonization over one-year results in smoother rate changes and also has the added benefit of providing greater regulatory simplicity in rate setting over the rate term.

b) Table 1 below provides total bill impacts for 1-year, 3-year, and 5-year distribution rate harmonization periods. This analysis is based on updated bill impacts including the updates noted in 1-Staff-1. Full bill impacts for these scenarios are provided in 8-Staff-154(1)_Harmonization Scenarios.

Table 1: Total Bill Impacts – 1-year, 3-year, and 5-year Harmonization Periods

Rate Zone	Rate Class	2027	2028	2029	2030	2031
Total Bill Impacts with 1-Year Harmonization (\$)						
Veridian	Residential	10.07	5.60	3.68	3.40	5.04
Veridian	GS <50	17.64	14.52	9.10	8.56	11.69
Whitby	Residential	2.88	8.20	3.68	3.40	5.04
Whitby	GS <50	(1.28)	18.88	9.10	8.56	11.69
Total Bill Impacts with 3-Year Harmonization (\$)						
Veridian	Residential	9.05	6.07	4.22	3.40	5.04
Veridian	GS <50	15.44	15.59	10.23	8.56	11.69
Whitby	Residential	5.40	6.97	2.38	3.40	5.04
Whitby	GS <50	6.44	14.94	5.33	8.56	11.69
Total Bill Impacts with 5-Year Harmonization (\$)						
Veridian	Residential	8.56	6.14	3.96	3.71	5.40
Veridian	GS <50	14.43	15.73	9.69	9.45	12.22
Whitby	Residential	6.68	6.77	2.95	2.58	4.22
Whitby	GS <50	9.68	14.32	7.01	6.41	9.54

A comparison of the differences in bill impacts is provided in Table 2 below.

Table 2: Comparison of Bill Impacts – 3-year and 5-year vs. 1-year Harmonization Periods

Rate Zone	Rate Class	2027	2028	2029	2030	2031
3-Year Harmonization – 1-Year Harmonization						
Veridian	Residential	(1.01)	0.47	0.54	-	-
Veridian	GS <50	(2.20)	1.07	1.13	-	-
Whitby	Residential	2.52	(1.23)	(1.30)	-	-
Whitby	GS <50	7.71	(3.95)	(3.77)	-	-
5-Year Harmonization – 1-Year Harmonization						
Veridian	Residential	(1.50)	0.55	0.29	0.31	0.36
Veridian	GS <50	(3.21)	1.21	0.59	0.89	0.53
Whitby	Residential	3.79	(1.42)	(0.72)	(0.82)	(0.82)
Whitby	GS <50	10.95	(4.56)	(2.09)	(2.15)	(2.15)

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 8-STAFF-155

Rate Class Structure and Reclassifications

Ref. 1: Exhibit 8 / Tab 1 / Schedule 1 / Table 4 / p. 7 of 47 (PDF p. 7)

Ref. 2: Exhibit 8 / Tab 1 / Schedule 1 / Table 7 / p. 10 of 47 (PDF p. 10)

Question(s):

a) Please reconcile the 2027 rate class revenue allocation percentages used in reference 1 with the cost allocation outputs in reference 2. Identify and explain any changes.

RESPONSE:

a) The fixed revenue percentages in Table 4 are the current fixed/variable proportions. The fixed revenue percentages in Table 7 are the proposed percentages based on maintaining the existing fixed charge or limiting the fixed charge increase to the maximum calculated in the cost allocation model. As detailed in Table 5, the fixed charges of the General Service and Large Use rate classes are lower than the fixed charge calculated by maintaining the current fixed/variable proportions so the fixed percentage is lower than the current fixed/variable proportions in Table 4. Additionally, Fixed Revenue in Table 4 does not account for rounding fixed charges, but this is considered in the Fixed Revenue in Table 7. Please see Table 1 below for a comparison.

Table 1: Comparison of Table 4 and Table 7 of Exhibit 8 - Tab 1 - Schedule 1

Rate Class	Table 4		Table 7	
	Fixed %	Fixed Revenue	Fixed %	Fixed Revenue
Residential	100.0%	\$93,613,621	100.0%	\$93,610,645
GS < 50 kW	29.5%	\$4,536,262	26.9%	\$4,140,418
GS 50 - 2,999 kW	17.9%	\$3,912,894	13.7%	\$2,989,902
GS 3,000 - 4,999 kW	36.6%	\$1,375,320	28.0%	\$1,050,931
Large Use >5MW	29.4%	\$1,250,451	21.6%	\$917,073
Street Light	75.1%	\$668,913	75.3%	\$670,053
Sentinel Light	62.6%	\$24,315	62.6%	\$24,304
Unmetered Scattered Load	43.8%	\$152,697	43.8%	\$152,689
Seasonal Residential	100.0%	\$1,512,145	100.0%	\$1,512,173

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 8-STAFF-156

Retail Transmission Service Rates

Ref. 1: Exhibit 8 / Tab 1 / Schedule 1 / Section 6.1 / pp. 18-25 (PDF pp. 18-25)

Ref. 2: Exhibit 8 / Tab 1 / Schedule 1 / Section 6.2 / Tables 21-26 / pp. 19-23 (PDF pp. 19-23)

Question(s):

a) Please provide a sensitivity analysis showing how RTSRs would differ if calculated separately for VRZ and WRZ in 2027.

Please review the treatment of EV-specific 3,000 to 4,999 kW sub-class in the RTSR harmonization and ensure that an appropriate rate is produced.

RESPONSE:

a) Separate 2027 RTSRs by rate zone are provided in the tables below. The unharmonized rates are compared with the updated proposed harmonized RTSRs as per 1-Staff-1.

Table 1: 2027 Network RTSRs

	Unit	Harmonized	Veridian	Whitby
Residential	\$/kWh	0.0124	0.0119	0.0136
Residential Seasonal	\$/kWh	0.0125	0.0124	
GS<50 kW	\$/kWh	0.0113	0.0109	0.0124
GS 50 - 2,999 kW	\$/kW	5.2011	5.3049	4.9089
GS 50 - 2,999 kW EV	\$/kW	0.8873	0.9018	0.8345
GS 3,000 - 4,999 kW	\$/kW	5.4752	5.8446	4.9089
GS 3,000 - 4,999 KW EV	\$/kW	0.9308	0.9936	0.8345
Large Use	\$/kW	5.8710	5.8446	
Unmetered Scattered Load	\$/kWh	0.0113	0.0109	0.0124
Sentinel Lighting	\$/kW	3.3692	3.3088	3.7203
Street Lighting	\$/kW	3.5365	3.4840	3.7024

1 **Table 2: 2027 Line and Transformation Connection RTSRs**

	Unit	Harmonized	Veridian	Whitby
Residential	\$/kWh	0.0089	0.0082	0.0112
Residential Seasonal	\$/kWh	0.0108	0.0105	
GS<50 kW	\$/kWh	0.0084	0.0076	0.0106
GS 50 - 2,999 kW	\$/kW	3.6649	3.5436	4.0123
GS 50 - 2,999 kW EV	\$/kW	0.6225	0.6024	0.6821
GS 3,000 - 4,999 kW	\$/kW	2.4565	3.8917	0.1160
GS 3,000 - 4,999 KW EV	\$/kW	0.4176	0.6616	0.0197
Large Use	\$/kW	4.0014	3.8917	
Unmetered Scattered Load	\$/kWh	0.0084	0.0076	0.0106
Sentinel Lighting	\$/kW	2.3752	2.2278	3.1668
Street Lighting	\$/kW	2.5087	2.3280	3.1020

2

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 8-STAFF-157

Loss Adjustment Factors

Ref. 1: Exhibit 8 / Tab 1 / Schedule 1 / Section 13 / pp. 34-37 (PDF pp. 34-37)

Ref. 2: Exhibit 8 / Tab 1 / Schedule 1 / Section 13 / Tables 36 & 37 / pp. 35-36 (PDF
pp. 35-36)

Question(s):

a) Please explain the increase in loss factor for Primary Metered Customers > 5,000 kW. Are Elexicon's Large Use customers served by dedicated transmission-connected feeders?

b) If a new Large Use customer were added through a new customer, or through load growth, would Elexicon ensure that it is served by a transmission-connected feeder?

RESPONSE:

a) Elexicon is proposing to set the Primary Metered Customers > 5,000 kW loss factor equal to the Supply Facilities Loss Factor of 1.0066, consistent with the revised Appendix 2-R filed with 8-SEC-95. The current loss factor was set in Veridian's last cost of service application (EB-2013-0174) at 1.0045, the default Supply Facilities Loss Factor applied at that time.

b) Elexicon's Large Use customers are not served by dedicated transmission-connected feeders. Elexicon supplies power at sub-transmission, distribution voltage levels (44 kV and 27.6 kV), which are suitable for customers requiring more than 5,000 kW of capacity. Where a large customer's capacity requirements justify the need for an express, dedicated feeder, Elexicon can provide one or more dedicated sub-transmission feeders depending on the capacity requirements of the customer.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 8-STAFF-158

Specific Service Charges

Ref. 1: Exhibit 8 / Tab 1 / Schedule 1 / Section 10 / pp. 26-30 (PFD pp. 26-30)

Ref. 2: Exhibit 8, Tab 1, Schedule 1, Section 10, Table 30, pp. 29-30 (PDF pp. 29-30)

Question(s):

- a) Please explain why VRZ SSCs were selected as the basis for harmonized charges rather than WRZ SSCs.
- b) Please quantify the annual revenue impact of discontinuing WRZ-only SSCs.
- c) Please explain why the after-hours customer substation isolation charge is proposed to be removed from the tariff and confirm how costs will be recovered under time-and-materials billing.

RESPONSE:

a) As noted in Exhibit 8 - Tab 1 - Schedule 1 - Section 10, as the VRZ SSCs currently apply to the majority of Elexicon's customer base it was a practical and consistent foundation to use the VRZ SSCs for the harmonized SSCs.

b) Discontinued SSCs have either been eliminated or converted from fixed charges to a time-and-materials basis, as reflected in the revised Table 30 filed with 8-SEC-94. The discontinued SSCs that are eliminated do not result in a revenue impact, as they are rarely requested and are now treated as part of the standard level of service under Elexicon's consolidated Conditions of Service. SSCs converted to time-and-materials will also result in no net revenue impact, as costs are proposed to be fully recovered from customers when services are provided. These services

1 have been infrequently or not requested since the merger, and the existing fixed SSCs are no
2 longer reflective of actual costs. For example, currently where a fixed charge of approximately
3 \$300 applies to a specific service with an underlying cost closer to \$1,200–\$1,500 (as discussed
4 for temporary underground service in response to 8-SEC-94), the conversion to
5 time-and-materials aligns customer charges with incurred costs and avoids under-recovery,
6 rather than generating incremental net revenue.

7
8 c) As noted in Exhibit 8 - Tab 1 - Schedule 1, customer substation isolations performed during regular
9 business hours, and those performed after hours in the WRZ, are billed on a time-and-materials
10 basis, with those performed after hours in the VRZ currently subject to an SSC. This VRZ SSC,
11 currently set at \$905 + HST, has remained unchanged since at least 2006. A recent internal cost
12 analysis indicates that substation isolations typically range from \$1,048 to \$1,306, depending on
13 vehicle type, labour, and coordination time, with costs increasing further in more complex
14 scenarios. As these costs vary significantly from job to job, a fixed rate is inappropriate. Elexicon
15 has therefore proposed that the After-Hours Customer Substation Isolation charge be removed
16 from the Tariff of Rates and instead charged on a time-and-materials basis. This ensures that the
17 cost of providing this specialized service is fairly allocated and is consistent with the same service
18 provided during regular hours in VRZ and in both regular and after hours in WRZ.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 8-STAFF-159

Bill Impacts and Rate Mitigation

Ref. 1: Exhibit 8 / Tab 1 / Schedule 1 / Section 16 / pp. 41-46 (PDF pp. 41-46)

Ref. 2: Exhibit 8 / Tab 1 / Schedule 1 / Section 13 / Tables 43-46 / pp. 43-46 (PDF pp. 43-46)

Question(s):

a) Please provide bill impacts for each harmonized rate class separating:

i. impacts from base distribution rates

ii. impacts from harmonization

iii. impacts from RTSRs

iv. impacts from LV rates

v. impacts from loss factors

b) Please explain why Sentinel Lighting mitigation was selected instead of mitigation through phasing or bill caps.

c) Please confirm that mitigation adjustments maintain overall revenue neutrality and identify which rate classes absorb the offsetting revenue changes.

RESPONSE:

a) Please see Excel file 8-Staff-159(1)_Bill Impact Breakdown.

b) Sentinel Lighting mitigation through revenue-to-cost ratio adjustments was selected because the amount to be mitigated is small (\$1,754) so it does not materially impact the rates of other rate classes. Elexicon considered phasing-in the bill increase, however, adjustments to revenue-to-cost

1 ratios in 2028 would sufficiently small that the impacts on rates would be negligible and not worth
2 the administrative burden of rebalancing rates after 2027. After mitigation the Sentinel Light rate
3 class revenue-to-cost ratio is 91.94% so it is within the OEB's policy range of 80% to 120% and is
4 considered reasonable.

5
6 c) Confirmed. In the application as filed the revenue is absorbed by the Residential, Seasonal
7 Residential, and Large Use rate classes. In the updated evidence filed as 1-Staff-1, the revenue is
8 absorbed only by the Seasonal Residential and Large Use rate classes.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 9-STAFF-160

Non-Wires Solution Deferral Account

Ref 1: Exhibit 9 / Tab 4 / Schedule 2 / pp. 24-27 (PDF pp. 87-90)

Ref 2: Exhibit 2B / Tab 3 / Schedule 5 / pp. 4-5 (PDF pp. 861-862)

Preamble:

Elexicon Energy has proposed to establish a non-wires solution deferral account as a means to recover OM&A costs associated with any non-wires solution opportunities that may arise over the 2027 to 2031 rate term. Elexicon Energy has not proposed any maximum amount that will be permitted to be recovered through the proposed non-wires solution deferral account.

Question(s):

a) Please provide any opinions as it relates to a maximum amount that may be recovered through the proposed non-wires solution deferral account.

b) Should a non-wires solution opportunity arise over the 2027-2031 rate term that results in balances being recorded in the proposed non-wires solution deferral account, does Elexicon Energy expect a commensurate reduction in capital expenditures over the 2027 to 2031 rate term?

RESPONSE:

- a) Elexicon has not contemplated a specific maximum to amounts which may be recovered through the Non-Wires Solutions Deferral Account ("NWSDA"). The utility will be guided by the OEB's Benefit Cost Analysis Framework to ensure investments made are cost effective, and any amounts sought for disposition will be subject to an OEB prudence review prior to disposition.

1 b) Elexicon does not expect that a NWS would necessarily result in a reduction in capital
2 expenditures. It would depend on the specific circumstances of the system need that is being
3 addressed. To the degree an NWS resulted in the deferral or avoidance of an unplanned capital
4 project, no costs for the capital project would be included in Elexicon's 2027 to 2031 rates, and
5 as such no credit to the NWSDA would be warranted. Elexicon notes, that the entirety of
6 Elexicon's capital plan over the 2027 through 2031 term is subject to one of the Capital In-
7 Service Additions Variance Account ("CISAVA"), Demand-Related Variance Account ("DRVA") or
8 Capital Cost Recovery Agreement Variance Account ("CCRAVA"), under either symmetrical
9 treatment or asymmetrical treatment to the benefit of ratepayers. As such, to the degree an
10 NWS resulted in the reduction of planned in-service additions, the impact of such reductions
11 would be captured by one of the CISAVA, DRVA or CCRAVA.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 9-STAFF-161

Non-Wires Solution Deferral Account

Ref 1: Exhibit 9 / Tab 4 / Schedule 2 / pp. 24-27 (PDF pp. 87-90)

Ref 2: Exhibit 1 / Tab 5 / Schedule 1 / p. 13 (PDF p. 129)

Preamble:

Elexicon Energy has proposed a Custom Revenue Cap Index rate framework with the following components:

- Growth Factor to represent the growth in utility costs associated with output growth,
- Input Price Differential Factor to represent the rate at which Elexicon Energy's OM&A input costs are increasing relative to the rate of inflation provided for in the Custom Revenue Cap Index's inflation factor, and
- Revenue Growth Factor to recover the cost drivers of Elexicon Energy's investment plan that are not otherwise captured by the other factors of the Custom Revenue Cap Index.

Elexicon Energy has also proposed to establish a non-wires solution deferral account as a means to recover OM&A costs associated with any non-wires solution opportunities that may arise over the 2024 to 2031 rate term.

Question(s):

a) Please explain whether the additional OM&A funding provided by the effects of the proposed Growth, Input Price Differential, and/or Revenue Growth Factors can be allocated to any non-wires solution OM&A spending in lieu of the proposed non-wires solution deferral account. In the response, please identify any ramifications of such an outcome.

b) Please comment on any other ramifications to Elexicon Energy's investment plan over the 2027-2031 rate term should the proposed non-wires solution deferral account not be approved.

RESPONSE:

a) Each of the Custom Revenue Cap Index ("CRCI") elements listed relates to a specific set of costs accounted for in Elexicon's application. Specifically, the Growth factor is intended to provide for cost increases driven by increasing customer count and system demand, the Input Price Differential provides for inflationary increases reflective of Elexicon's cost structure (i.e. labour/non-labour proportions), and the Revenue Growth Factor provides for recovery of specifically identified and evidenced costs necessary to continue operating Elexicon's system in a safe and reliable manner. As such, the funding provided by the Growth, Input Price Differential, and Revenue Growth Factors cannot be allocated to fund NWS, as the cost drivers related to these factors are known and anticipated to be encountered.

b) As articulated in the pre-filed evidence, "Elexicon has not included any NWS expenditures in its 2027 to 2031 plan."¹ Elexicon has further provided a list of incremental OM&A expenditures which the NWSDA would record,² none of which are included within Elexicon's requested relief. Should the NWSDA be denied, Elexicon expects to face challenges in meaningfully pursuing NWS opportunities that may present themselves during the rate-term. Elexicon cannot comment on what would be the ramifications on its 2027-2031 investment plan if the NWSDA denied, as this would be speculative. Should the account be denied, the implications will need to be assessed based on the specific facts and circumstances in question.

¹ Exhibit 9 - Tab 4 - Schedule 1 - page 2

² Exhibit 9 - Tab 2 - Schedule 2 - page 25

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 9-STAFF-162

2027 DVA Continuity Schedule and Commodity Analysis Workform

Ref 1: EE_Exhibit 9-1-1(1)_DVA Continuity Schedule_20251219

Ref 2: 2027 Deferral and Variance Account (Continuity Schedule) Workform

Ref 3: 2027 Commodity Accounts Analysis Workform

Preamble:

In Exhibit 9, Elexicon indicated that the 2025 Group 1 DVA balances were not finalized at the time of filing and that placeholders were used in the DVA Continuity Schedule. Elexicon also stated that it will review the 2025 Group 1 DVA balances against the disposition threshold when the audited balances become available at a later stage in this proceeding. In addition, Elexicon indicated that the Commodity Accounts Analysis Workform for 2025 was not completed due to the unavailability of final 2025 audited balances and will be provided when available.

Questions:

- a) Please update and re-file the DVA Continuity Schedule using the 2027 DVA Continuity Schedule Workform, reflecting audited 2025 actual balances for all Group 1 and Group 2 accounts, including any associated interest calculations.
- b) Based on the updated 2025 Group 1 balances, please demonstrate whether the disposition threshold is met for the 2027 rate year and explain whether Elexicon is requesting disposition as part of this application.
- c) Please complete and file the Commodity Accounts Analysis Workform (2027 model) for the applicable years.

1 **RESPONSE:**

2 a) As part of the Exhibit 9 evidence updated filed April 2, 2026, Elexicon updated and re-filed
3 the DVA Continuity Schedule using the 2027 DVA Continuity Schedule Workform, reflecting
4 audited 2025 actual balances for all Group 1 and Group 2 accounts, including any
5 associated interest calculations.

6

7 Parts (b) and (c) will be addressed during the second round of interrogatories.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 9-STAFF-163

Extended Horizons Variance Account (EHVA)

Ref 1: OEB Rate Order / Extended Horizons Variance Account (EHVA) / EB-2024-0092 / March 20 / 2025

Ref 2: Exhibit 9 / Tab 3 / Schedule 3

Ref 3: Exhibit 9 / Tab 4 / Schedules 1 and 2

Preamble:

In Ref 1, the OEB established the EHVA to track incremental revenue requirement impacts associated with the extension of customer connection and revenue horizons under the DSC. The OEB stated that distributors are expected to incorporate the impacts of the DSC amendments into base rates at their next cost-based rate application and that the EHVA is not anticipated to be required beyond that point. Ref 1 also states that “The generic variance account applies only to the forecasted connections that are currently embedded in distribution rates and eligible for the extension of connection and revenue horizons”.

In Ref 2, Elexicon confirmed that the EHVA would no longer be required and would not be used on a going forward basis if the DRVA is approved as proposed, as all relevant demand-related variability would be captured through the DRVA. However, if the OEB does not approve the DRVA, Elexicon requested that the EHVA be retained, as it expects the account would continue to be necessary during the 2027-2031 period.

Questions:

a) Please confirm whether Elexicon has calculated and recorded any amounts in the EHVA for the period from November 18, 2024 to December 31, 2024, and for the 2025 test year to date.

1 i) If yes, please provide a schedule in excel listing the following information:

2
3 1. The amounts recorded (principal and carrying charges) in 2024 and amount calculated and recorded
4 (or to be recorded) in 2025;

5 2. The calculation of the incremental revenue requirements by each impacted connection;

6 3. The specific connection projects giving rise to the recorded amounts

7 4. Please explain how each connection included in the calculation meets
8 the criteria of “currently embedded in distribution rates” and “eligible for the extension of connection
9 and revenue horizons”.

10
11 ii) If not, please explain why not, given that EHVA applies only to forecasted connections that are
12 currently embedded in distribution rates and eligible for the extensions under DSC.

13 b) Please confirm that the impacts of the DSC amendments regarding the extension
14 of connection horizons have been embedded in the base rates proposed in this application, as required
15 by the Accounting Order. If not, explain why not.

16 c) Please explain why the continuance of EHVA is contingent on the approval of DRVA in this application
17 as indicated by Elexicon, given that EHVA only applies to eligible connections that are currently
18 embedded in distribution rates, rather than the new connections

19
20
21 **RESPONSE:**

22 a) Elexicon has not calculated and recorded any amounts in the EHVA for the period from November
23 18, 2024 to December 31, 2024, nor has Elexicon booked any amounts in 2025.

24 ii. There are currently no 2025 projects under the new rules that have been completed and
25 in-serviced. Therefore, no need to book any EHVA.

26
27 b) As noted in Exhibit 9 - Tab 3 - Schedule 3 - page 2, the release of the OEB’s guidance with respect
28 to extended revenue horizons was timed such that Elexicon was not able to incorporate the
29 implications of the extended revenue horizon for residential customers into its 2027 to 2031 net

1 capital expenditure (and in-service addition) forecasts. Please also see 2-Staff-71 a) for further
2 discussion. Elexicon has not proposed an update to its capital plans at this time.

- 3
- 4 c) The DRVA as proposed provides important and fair variance treatment of net capital associated
5 with Customer and Generation Connections, Externally Initiated Plant Relocations, and System
6 Expansions; including variances in capital contributions. Were the DRVA not in place, Elexicon
7 submits at a minimum the EHVA would be required to manage variances driven by the transition
8 to an extended revenue horizon for residential customers. Under this circumstance, Elexicon
9 would interpret connections “currently embedded in distribution rates” to be those approved for
10 inclusion in its 2027 to 2031 capital program in this application, as currently forecast.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 9-STAFF-164

Projected Interest (Carrying Charges) Methodology

Ref 1: Exhibit 9 / Tab 3 / Schedule 2 / page 3

Ref 2: Exhibit 9 / Tab 3 / Schedule 5

Ref 3: Elexicon Energy 2026 IRM application / EB-2025-0046

Preamble:

Elexicon included projected carrying charges that extend beyond the 2027 test year, some to 2031 and others to 2036.

In Ref 3, Elexicon proposed to dispose Group 2 account balances with carrying charges calculated through December 31, 2027, consistent with its requested 2027 rate year. However, the OEB approved carrying charges only up to December 31, 2025 in the Decision and Order⁵, consistent with the IRM framework that carrying charges accrue only to the approved disposition date.

Question(s):

a) Please recalculate carrying charges for all applicable accounts to the 2027 test year only.

RESPONSE:

a) Elexicon re-filed its Exhibit 9 on April 2, 2026. In that update, carrying charges were calculated for all accounts (except the Cloud Computing Implementation Account) to the end of 2026.

In regards to the Cloud Computing Implementation Account (1511), as noted in Exhibit 9 - Tab 3- Schedule 5, Section 7 (pages 14 to 18), Elexicon is seeking recovery of all related implementation costs which include those incurred in 2025, and are forecast to be incurred in

1 2026 and 2027, amounting to approximately \$42M, plus forecast interest (approximately
2 \$5.1M), for a total of approximately \$47.1M. Elexicon is proposing to recover this entire
3 balance over a ten-year period starting in 2027. Please refer to 4.1-PWU-09 for detailed
4 explanation and calculations related to the proposed disposition amount for 1511.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 9-STAFF-165

Account 1508: Pole Attachment Revenue Variance

Ref 1: Exhibit 9 / Tab 3 / Schedule 5 / p. 8 / Table 9

Ref 2: 2026 IRM Application / EB-2025-0046 / Appendix D / Tables 4.9 and 4.11

Preamble:

OEB Staff have compiled the table above using historical and forecast pole counts provided in Refs 1 and 2. OEB Staff notes that the forecast assumes a 4.6% increase in the number of WRZ poles in 2025, followed by no growth in 2026. The historical data for the 2018-2024 period show WRZ annual growth rates ranging from -1.5% to 2.1%.

Year	VRZ No. of Poles	VRZ No. of Poles Growth Rate	WRZ No. of Poles	WRZ No. of Poles Growth Rate
2018	22,005		5,556	
2019	22,523	2%	5,573	0.3%
2020	23,529	4%	5,666	1.7%
2021	24,085	2%	5,583	-1.5%
2022	24,212	1%	5,630	0.8%
2023	24,472	1%	5,750	2.1%
2024	24,465	0%	5,750	0.0%
2025	24,479	0%	6,012	4.6%
2026	24,479	0%	6,012	0.0%

OEB Staff also notes that the number of VRZ poles is forecast to remain largely unchanged over the 2022-2026 period, following modest historical growth.

Questions:

a) Please explain why this forecasted WRZ growth rate is reasonable in light of the historical WRZ growth experience summarized in the OEB Staff compiled table.

b) Please explain the basis for forecasting a 4.6% increase in WRZ poles in 2025, including identification of any specific drivers, projects, reclassifications, or methodological changes underlying this assumption.

RESPONSE:

a) As part of the Exhibit 9 Evidence Update submitted April 2, 2026, Elexicon updated its pole counts to include 2025 actual pole numbers. See Table 1, which is current as per the April 2, 2026 evidence update.

Table 1: 2026 Evidence Update regarding Pole Counts

Year	VRZ		WRZ		Total	
	VRZ	% growth	WRZ	% growth	Total	Rate
2018	22,005		5,556		27,561	
2019	22,593	2%	5,573	0.3%	28,096	1.9%
2020	23,529	4%	5,666	1.7%	29,195	3.9%
2021	24,085	2%	5,583	-1.5%	29,668	1.6%
2022	24,212	1%	5,630	0.8%	29,842	0.6%
2023	24,472	1%	5,750	2.1%	30,222	1.3%
2024	24,465	0%	5,750	0.0%	30,215	0.0%
2025	24,520	0%	5,771	0.4%	30,291	0.3%
2026	24,479	0%	6,012	4.2%	30,491	0.7%

The actual WRZ growth rate in 2025 was 0.4%, not 4.6%. The overall growth for the rate zones combined was 0.3%, which is consistent with the most recent historical periods (which range from -1.5% to 2.1%.)

b) As noted in part a) of this answer, the 2025 forecast has been updated with actuals. Elexicon notes that the 2026 forecast for WRZ is 4.2%. This is a due to a misallocation of poles between WRZ and VRZ. As shown in Table 1, the overall growth is 0.7%, which is consistent with the most recent historical periods (-1.5% to 2.1%.)

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 9-STAFF-166

Account 1508: LEAP EFA Funding

Ref 1: Exhibit 9 / Tab 3 / Schedule 5 / p. 10 / Table 10

Preamble:

Elexicon has provided a projected LEAP Emergency Financial Assistance (EPA) funding amount of \$324,200 for each of 2025 and 2026 to be recorded in Account 1508.

Questions:

a) Please provide any supporting calculations (breakdown by type of the grant programs, the grant \$ per program and number of the grants) relied upon developing the forecasted LEAP EPA funding amounts for 2025 and 2026.

RESPONSE:

a) In Elexicon's April 2, 2026, Exhibit 9 Evidence Update the LEAP funding request was updated to include 2025 actuals. The 2025 actuals were \$389,866. The 2026 forecast was updated to \$400,000 as 2026 is trending slightly higher than 2025.

The 2025 actuals were specific to the Emergency Financial Assistance ("EFA") grant program. The LEAP EFA grants up to \$650 for basic electricity bills and up to \$780 for those homes heated with electricity. With the use of these funds, less 15% for administrative fees as per the program rules, Elexicon was able to assist 517 customers.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 9-STAFF-167

Account 1508: Estimated Useful Life

Ref 1: Exhibit 9 / Tab 3 / Schedule 5 / pp. 10-13

Ref 2: EE_Exhibit 9-3-5(3)_Change in Useful Lives Summary_20251219

Ref 3: EB-2013-0174 EX4_APPL_Veridian COS_201210 / Exhibit 4 / Tab 6 / Schedule 1 /
p. 3

Preamble:

The accounting order in Ref 1 establishing the Account 1508 sub-account for changes in estimated useful lives specifies the amounts recorded must be underpinned by an annual depreciable PP&E study report that itemizes and supports all adjustments to depreciation expense.

In Ref 2, Ellexicon presented multi-year depreciation impacts and resulting net PP&E balances for the period 2019 to 2026, reflecting differences between the Whitby Useful Life Lives (WUL) and Ellexicon Energy Useful Lives (EEUL) scenarios

Ellexicon stated that following the merger, the estimated useful lives applied to WRZ assets were aligned with those used for VRZ, and the VRZ useful lives were reviewed as part of Veridian's cost of service application in Ref 3.

Questions:

a) Please confirm whether an annual depreciable PP&E study report was prepared for each year underlying the amounts recorded to the Account 1508 sub-account presented in this application.

i) If so, please file the report(s) and reconcile the depreciation impact and resulting net PP&E balances to Ref 2, on a line-by-line and year-by-year basis (2019-2026). The reconciliation should clearly demonstrate how the assumptions and outputs of the annual depreciable PP&E study

1 report(s) support the amounts shown in Ref 2 under both the WUL and EEUL scenarios, including
2 opening net PP&E, net additions, net depreciation, and closing net PP&E.

3 ii) If not, please explain how compliance with the requirements of the accounting order was
4 achieved in recording amounts to the Account 1508 sub-account.

5
6 b) Please provide the VRZ depreciable PP&E study report (including the Kinectrics Report or
7 relevant extracts) that Elexicon is relying on in this rate proceeding to establish the useful lives
8 applied to WRZ assets.

9
10
11 **RESPONSE:**

12 a) A PP&E depreciation study report was not prepared for each year of the underlying the
13 amounts recorded to the 'Account 1508' because Whitby Hydro adopted Veridian's
14 accounting practices which included the application of the Kinectrics report in assessing the
15 useful lives of assets. Elexicon has continued to rely on the Kinectrics Report to establish
16 useful lives applied to assets.

17
18 i. Not applicable.

19
20 ii. Elexicon's compliance with the requirements of the accounting order was achieved
21 by virtue of the following:

22
23 Subsequent to its 2019 Annual IR Application (EB-2018-0079), Whitby Hydro merged
24 with Veridian on April 1, 2019 (EB-2018-0236). Per IFRS 3 Business Combinations¹,
25 using the acquisition method, the former Veridian Connections was deemed as the
26 acquirer based on its relative size compared to that of the former Whitby Hydro. In
27 IFRS 10, paragraph 19, it states, "A parent shall prepare consolidated financial

¹ IFRS 3, Business Combinations, page A198

1 statements using uniform accounting policies for like transactions and other events
2 in similar circumstances".²

3
4 The requirement "amounts booked to the 1508 sub-account shall be underpinned
5 by an annual depreciable PP&E study report" had been met because:

- 6 1. Following the merger, as part of WRZ's annual review, Elexicon was
7 required to update the useful life estimates of WRZ assets to be consistent
8 with those for the VRZ as required by IFRS 3 and IFRS 10.
9 2. This review was done in conjunction with the Veridian assets by reviewing
10 the previous estimates used in VRZ, which were underpinned by the
11 Kinectrics Report.

- 12
13 b) Elexicon relies on the Kinectrics Report to establish useful lives. Please refer to Elexicon's
14 Appendix 2-BB, which was filed in excel format as an attachment to Exhibit 2A-1-1.

² IFRS 10, Consolidated Financial Statements, page A581

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 9-STAFF-168

Account 1508: Getting Ontario Connected Act (GOCA) Variance Account

Ref 1: Accounting Order (002-2023) for the Establishment of a Deferral and

Variance Account to Record Incremental Locates Costs Arising from Bill 93

Ref 2: Exhibit 4 / Tab 1 / Schedule 4 - Sustainment Program (Locates)

Ref 3: EE_Exhibit 4-1-1(1)_OEB App.2-J_OM&A Programs_20251219

Ref 4: Exhibit 9 / Tab 3 / Schedule 5 / pp. 4-7

Preamble:

In Ref 1, Elexicon provided a description of the methodology used to calculate and forecast third-party Locate Service Providers (LSPs), Ontario One Call, and incremental internal labour costs associated with additional locates program oversight.

OEB Staff notes that Elexicon has recorded locates-related costs associated with Bill 93 in Account 1508, as presented in Refs 2, 3 and 4. OEB Staff also notes that Ref 2 presents total Locates program costs within the Sustainment Program and includes adjustments referred to as "DVA Adjustment (Locates)" for certain years, while Ref 3 presented forecast OM&A information used for rate-setting purposes.

Questions:

a) For each year from 2023 to 2026, please reconcile:

i) total locates OM&A costs shown in Refs 2 and 3;

ii) amounts removed from OM&A through any "DVA Adjustment (Locates)," in both Refs 2 and 3; and

iii) amounts recorded in Account 1508 - GOCA as shown in Ref 4.

b) Please also include a summary reconciliation table by year (2023-2026) that

1 clearly bridges gross locates OM&A costs to DVA adjustments and amounts

2 recorded in Account 1508 - GOCA, supported by detailed calculations and Ref

3 tie-outs.

4 c) Please clarify the purpose of the "DVA Adjustment (Locates)" shown in Ref 2 and

5 explain how this adjustment differs from the actual amounts recorded in Account 1508 - GOCA.

6
7 d) Please clarify the statement of "the 'Locates cost related to Bill 93 is greater than the amount in
8 the variance account. Elexicon has absorbed a portion of the Bill 93 costs, up to the amount
9 determined to be in rates".

10
11 e) Please provide calculation support for the incremental price increases from third-

12 party LSPs recorded and forecast in the GOCA deferral account, including the

13 baseline rates used, escalation or inflation assumptions, actual and/or forecast rates applied, and a
14 reconciliation to the incremental costs recorded.

15
16 f) Please provide supporting details for the incremental internal labour costs

17 attributed to GOCA, including the basis for determining these costs are incremental and causally
18 related to GOCA requirements.

19 g) Please briefly explain the method used derive the 2026 amounts.

20
21
22 **RESPONSE:**

23 This interrogatory will be addressed in the second round.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 9-STAFF-169

Account 1511: Cloud Computing Implementation Costs (Dx NEXT)

Ref 1: Accounting Order (003-2023) for the Establishment of a Deferral Account to Record Incremental Cloud Computing Arrangement Implementation Costs” / November 2 / 2023 / p 2

Ref 2: Cost of Capital and Other Matters / EB-2024-0063 / Decision and Order / March 27 / 2025 / Section 3.8.1 / pp 102 to 103.

Ref 3: Exhibit 4 / Tab 3 / Schedule 5 Appendix A.

Ref 4: EE_Exhibit 4-1-1(1)_OEB App.2-J_OM&A Programs_20251219.

Ref 5: Exhibit 9 / Tab 3 / Schedule 5 / pp. 14-18.

Ref 6: Cloud Computing Implementation Costs Generic Deferral Variance Account Webinar Q&A Materials / February 15 / 2024

Preamble:

In Ref 1, the OEB approved the establishment of a generic deferral and variance account to record eligible incremental cloud computing implementation costs and any related offsetting savings, if applicable, with recovery subject to OEB’s approval at rebasing.

In Ref 2, the OEB confirmed that at rebasing a utility may propose a disposition methodology for cloud computing deferral account balances, and that the appropriate recovery period should be informed by factors such as the nature of the cloud solution, the timing and duration of any associated service or contract term, the magnitude of the expenditure, and rate impact considerations.

In Ref 5, Elexicon proposed to recover incremental cloud computing implementation costs totaling \$47,750,314 associated with the Dx NEXT project through Account 1511, with disposition of the deferral account balance over a ten-year period commencing in 2027, which is the test year for the 2027-2031 rate period. The proposal also includes forecast one-time

1 implementation costs expected to be incurred in 2027. In the same
2 evidence, Elexicon referred to “amortizing” these costs in the context of mitigating rate impacts.
3 In Refs 3 and 4, OEB Staff notes that forecast OM&A information for the 2027-2031
4 period is presented, including forecast OM&A savings associated with the Dx NEXT implementation. In
5 table 7 of Ref 3, Elexicon provided OM&A Cost Savings from Dx
6 NEXT Implementation for 2027-2031.

7 In Ref 6, The Q&A materials clarified that utilities are expected to identify and assess
8 any such savings arising from the transition to cloud-based solutions, and either record
9 them in the deferral account or explain why savings are not applicable or not measurable. The Q&A
10 further indicated that certain implementation cost categories that
11 are typically expensed for financial reporting purposes (such as training, data
12 conversion, or business process re-engineering) may be eligible for recording in the
13 deferral account provided they are incremental, and that incremental capital costs and
14 incremental OM&A implementation costs are expected to be identified and tracked separately.

15
16 Questions:

17 a) Please clarify what Elexicon means by the term “amortizing” in Ref 5.
18 b) Please confirm whether any portion of the forecast one-time 2027 Dx NEXT cloud computing
19 implementation costs proposed for recovery through Account 1511 is included in the 2027 test-year
20 OM&A forecasts reflected in Exhibit 4 (including Appendix 2-J OM&A Summary, Cost Drivers, or
21 Programs). If so, please identify the amounts, the associated OM&A programs or functions, and
22 explain how double recovery is avoided. If not, please identify where and how these costs have been
23 excluded from the Exhibit 4 OM&A forecasts.

24 c) Please provide a comparison of the 2027 revenue requirement and bill impacts
25 for the following proposals:

- 26 (i) with the proposed deferral and ten-year disposition of the one-time 2027 cloud implementation
27 costs;
28 (ii) with the proposed deferral and five-year disposition of the one-time 2027 cloud implementation
29 costs;

(iii) with the proposed deferral and three-year disposition of the one-time 2027 cloud implementation costs; and

(iv) assuming those one-time 2027 implementation costs were recovered entirely in 2027 without deferral.

(v) Please indicate which of the recovery periods evaluated in (i)-(iv) Elexicon considered most appropriate and briefly explain why having regard to the considerations described in Ref 2.

d) Please explain how the identified Dx NEXT related savings interact with the proposed recording of cloud computing implementation costs in Account 1511, and provide the following:

i) A year-by-year breakdown (2027 to 2031) of the OM&A savings identified in Exhibit 4, including the allocation of the total savings shown in Table 7 by year and by cost category;

ii) Confirmation of whether any savings related to the Dx NEXT implementation are expected to be realized in 2025 and 2026, and if so, please quantify those savings by year and explain if the savings will be recorded as offsetting entries in Account 1511;

iii) Identification of whether any Dx NEXT related savings realized in 2027 or later years are being, or will be, recorded as offsetting entries in Account 1511, and if not, an explanation of why such savings are not recorded in the deferral account; and

iv) An explanation of how Elexicon's proposed treatment of Dx NEXT related savings is consistent with Ref 6.

e) Please provide the nature of the costs recorded or to be recorded in the accounts by year, with a breakdown of the costs by cloud solution; for each solution, to provide details of type of costs, such as configuration, testing, data conversion; nature of the costs, capital or OM&A, using the IFRS standard; and the dates the costs were incurred, or when they are expected to be incurred.

f) Please explain whether Elexicon has discussed accounting treatment with its external auditor and whether the external auditor has agreed on the OM&A treatment of these costs. If not, please explain why not.

RESPONSE:

- a) The term amortizing refers to the proposed accounting treatment of the Dx NEXT implementation costs, under which Elexicon is proposing to recover the implementation costs associated with the Dx NEXT project over a ten year period; see c).
- b) All one-time cloud implementation costs associated with Dx NEXT on an actual basis for 2025, and a forecast basis for 2026 and 2027 are allocated to 1511. There are no one-time implementation costs in the 2027 OM&A forecast.
- c) The following bill impacts analysis is based on updates as per 1-Staff-1. The Cloud Computing Deferral Account is included in Sub-Total A. The amount recovered from the rider is adjusted to reflect the projected interest calculated in accordance with the methodology set out in 4.1-PWU-09 c), which was applied to each disposition period in parts (ii)–(iv).
- i) The 10-year disposition of the deferral account, as proposed, produces the following bill impacts. These bill impacts are consistent with the bill impacts filed in 1-Staff-1. The 2027 revenue requirement is \$145,094,574.

Table 1: Bill Impacts of Ten-Year Disposition of the Cloud Computing Deferral Account

		2027 Sub-Total A		5-Year Average Total Bill	
		Bill Impact (\$)	Bill Impact (%)	Bill Impact (\$)	Bill Impact (%)
VRZ	Residential	\$10.81	30.2%	\$5.56	3.6%
	GS <50	\$19.51	27.5%	\$12.30	3.3%
	GS 50 - 2,999 kW	\$265.64	26.3%	\$83.61	0.6%
	GS 3,000 - 4,999 kW	\$4,894.96	23.8%	-\$2,427.02	-0.7%
	Large Use >5MW	\$13,340.17	24.4%	\$12,262.67	1.3%
	Street Light	-\$718.86	-4.0%	\$755.09	0.9%
	Sentinel	\$1.92	19.3%	\$1.48	7.1%
	Unmetered Scattered Load	\$5.05	25.2%	\$3.34	3.7%
	Seasonal Residential	\$16.96	26.0%	\$10.17	5.7%
WRZ	Residential	\$7.10	18.0%	\$4.64	3.0%
	GS <50	\$8.19	9.9%	\$9.39	2.4%
	GS 50 - 2,999 kW	\$83.04	7.0%	\$232.38	1.7%
	GS 3,000 - 4,999 kW	\$3,923.29	18.0%	\$2,969.44	0.9%
	Street Light	-\$35,194.50	-66.5%	-\$5,786.25	-5.6%
	Sentinel	\$2.30	23.9%	\$1.56	7.7%

		2027 Sub-Total A		5-Year Average Total Bill	
		Bill Impact (\$)	Bill Impact (%)	Bill Impact (\$)	Bill Impact (%)
	Unmetered Scattered Load	-\$5.23	-17.6%	\$1.49	1.6%

ii) A 5-year disposition of the deferral account produces the following bill impacts. The Cloud Computing Deferral Account balance is \$44,877,709, accounting for lower projected interest in the 5-year period, and the 2027 revenue requirement remains at \$145,094,574.

Table 2: Bill Impacts of Five-Year Disposition of the Cloud Computing Deferral Account

		2027 Sub-Total A		5-Year Average Total Bill	
		Bill Impact (\$)	Bill Impact (%)	Bill Impact (\$)	Bill Impact (%)
VRZ	Residential	\$12.19	34.0%	\$5.80	3.8%
	GS <50	\$22.09	31.1%	\$12.77	3.4%
	GS 50 - 2,999 kW	\$301.25	29.9%	\$91.66	0.6%
	GS 3,000 - 4,999 kW	\$5,416.51	26.4%	-\$2,309.15	-0.6%
	Large Use >5MW	\$14,898.89	27.2%	\$12,614.94	1.3%
	Street Light	\$97.51	0.5%	\$939.59	1.1%
	Sentinel	\$2.33	23.3%	\$1.55	7.4%
	Unmetered Scattered Load	\$5.97	29.8%	\$3.51	3.9%
	Seasonal Residential	\$19.47	29.9%	\$10.62	5.9%
WRZ	Residential	\$8.48	21.5%	\$4.89	3.1%
	GS <50	\$10.77	13.0%	\$9.85	2.6%
	GS 50 - 2,999 kW	\$118.65	9.9%	\$240.43	1.7%
	GS 3,000 - 4,999 kW	\$4,444.85	20.4%	\$3,087.31	0.9%
	Street Light	\$(34,420.29)	-65.1%	-\$5,611.28	-5.4%
	Sentinel	\$2.71	28.0%	\$1.64	8.0%
	Unmetered Scattered Load	\$(4.31)	-14.5%	\$1.65	1.7%

iii) A 3-year disposition of the deferral account produces the following bill impacts. The Cloud Computing Deferral Account balance is \$43,915,624 and the 2027 revenue requirement remains at \$145,094,574.

Table 3: Bill Impacts of Three-Year Disposition of the Cloud Computing Deferral Account

		2027 Sub-Total A		5-Year Average Total Bill	
		Bill Impact (\$)	Bill Impact (%)	Bill Impact (\$)	Bill Impact (%)
VRZ	Residential	\$14.02	39.1%	\$5.28	3.5%
	GS <50	\$25.52	35.9%	\$11.79	3.2%
	GS 50 - 2,999 kW	\$348.55	34.5%	\$74.72	0.5%
	GS 3,000 - 4,999 kW	\$6,109.15	29.7%	-\$2,557.25	-0.7%
	Large Use >5MW	\$16,968.96	31.0%	\$11,873.45	1.3%
	Street Light	\$1,181.70	6.5%	\$551.23	0.7%
	Sentinel	\$2.86	28.7%	\$1.40	6.8%
	Unmetered Scattered Load	\$7.19	36.0%	\$3.16	3.5%
	Seasonal Residential	\$22.81	35.0%	\$9.67	5.4%
WRZ	Residential	\$10.31	26.2%	\$4.37	2.8%
	GS <50	\$14.20	17.1%	\$8.88	2.3%
	GS 50 - 2,999 kW	\$165.95	13.9%	\$223.49	1.6%
	GS 3,000 - 4,999 kW	\$5,137.49	23.6%	\$2,839.20	0.8%
	Street Light	\$(33,392.10)	-63.1%	-\$5,979.57	-5.9%
	Sentinel	\$3.24	33.6%	\$1.48	7.4%
	Unmetered Scattered Load	\$(3.09)	-10.4%	\$1.31	1.4%

iv) Including forecast one-time Dx NEXT cloud computing implementation costs in Elexicon's revenue requirement increases the revenue requirement to \$187,999,614 and produces the following bill impacts. Total bill impacts in 2027 would exceed 10% for the following rate classes: Residential (VRZ), Seasonal Residential, GS < 50 kW (VRZ), Sentinel Light (VRZ and WRZ), and USL (VRZ).

Table 4: Bill Impacts of One-Time Cloud Computing Cost in Revenue Requirement

		2027 Sub-Total A		5-Year Average Total Bill	
		Bill Impact (\$)	Bill Impact (%)	Bill Impact (\$)	Bill Impact (%)
VRZ	Residential	\$23.20	64.7%	\$5.28	3.5%
	GS <50	\$42.26	59.5%	\$11.56	3.1%
	GS 50 - 2,999 kW	\$583.43	57.8%	\$73.80	0.5%
	GS 3,000 - 4,999 kW	\$11,184.31	54.5%	-\$2,567.12	-0.7%
	Large Use >5MW	\$28,931.82	52.9%	\$11,619.06	1.2%
	Street Light	\$3,900.57	21.6%	\$641.72	0.8%
	Sentinel	\$5.16	51.6%	\$1.41	6.8%

		2027 Sub-Total A		5-Year Average Total Bill	
		Bill Impact (\$)	Bill Impact (%)	Bill Impact (\$)	Bill Impact (%)
	Unmetered Scattered Load	\$11.61	58.1%	\$3.18	3.6%
	Seasonal Residential	\$39.20	60.2%	\$9.69	5.4%
WRZ	Residential	\$19.49	49.4%	\$4.37	2.8%
	GS <50	\$30.94	37.3%	\$8.65	2.3%
	GS 50 - 2,999 kW	\$400.83	33.5%	\$222.57	1.6%
	GS 3,000 - 4,999 kW	\$10,212.64	47.0%	\$2,829.34	0.8%
	Street Light	\$(30,014.40)	-56.8%	-\$5,884.00	-5.7%
	Sentinel	\$5.54	57.3%	\$1.49	7.4%
	Unmetered Scattered Load	\$1.33	4.5%	\$1.33	1.4%

v) Elexicon considers a 10-year recovery period to be most appropriate, as the Dx NEXT investment has an expected service term of ten years. Recovering costs over this period aligns with the OEB's guidance, provided in Ref 2, to match recovery from the Cloud Computing deferral account to the service term of the underlying investment. The magnitude of the investment and the ongoing nature of the benefits further support recovery over a 10-year period, while mitigating rate impacts and intergenerational inequity. A further description of the Cloud Computing Implementation Costs Deferral Account (Account 1511) is provided in Exhibit 9 - Tab 3 - Schedule 5 - Section 7.

d) Please refer to the responses in 4-CCC-51 and 9-SEC-96.

e) All Dx NEXT implementation and sustainment costs over the ten-year period are OM&A.

The detailed implementation costs are broken down by project phase in Table 5 of Exhibit 4 - Tab 1- Schedule 6 - Appendix A - page 12.

Exhibit 4 - Tab 1 - Schedule 6, Appendix A - page 4 - Table 2 lists the applications that will be implemented. The year of implementation for each application is included below.

Table 5: Dx NEXT Applications with Implementation Year

Customer Experience Applications	SEW – Customer Experience Platform	2026
	SEW - Field Workforce Management (Meter Shop)	2026
	SAP – Customer Information System	2026

	SAP - Energy Data Management	2026
Core ERP Applications	SAP – S/4HANA (Asset + Finance	2028
	SEW – Field Workforce Management (Construction, Maintenance and Trouble)	2028
	SAP – Success Factors (Human Resources)	2028
	SAP – ARIBA (Supply Chain + Procurement)	2028

- 1
- 2 f) Elexicon discussed the accounting treatment of Dx NEXT costs with its external auditors and
- 3 the auditors have agreed on the OM&A treatment.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 9-STAFF-170

Account 1575: IFRS-CGAAP Transitional PP&E

Ref 1: Whitby Hydro Electric Corporation / EB-2018-0079 / Decision and Order on 2019 Annual IR Distribution Rate Application / December 20 / 2018 / Settlement Proposal

Ref 2: Whitby_1576 Spreadsheet_Appendix 2_20180913 / Tabs App.2-BA_Fixed Asset Cont and App.2-EC_Account 1576

Ref 3: EE_Exhibit 2A-1-1(1)_OEB App.2-AA-AB-BA-BB-C_20251219 / Tab App2-BA_Fixed Asset Cont

Ref 4: EE_Exhibit 9-3-5(5)_OEB App.2-EA_Account 1575_20251219

Ref 5: Exhibit 9 / Tab 3 / Schedule 5 / pp 21- 24

Preamble:

In Ref 1, Whitby Hydro settlement accepted by the OEB in its 2019 rate application agreed upon “the discontinuation of Account 1576 and approval of the use Account 1575 going forward to track the impact of gains and losses on retirement and disposition of assets and other accounting changes to Property, Plant and Equipment”.

OEB Staff notes that, in the Whitby Hydro filings associated with Account 1576, the values reported in Appendix 2-EC reconciled to the corresponding Appendix 2-BA fixed asset continuity schedules (Ref 2). However, in the current rate application, the values reported in Appendix 2-EA-VRZ (Ref 4) do not appear to reconcile to the amounts reported in Appendix 2-BA as filed (Ref 3).

OEB Staff also notes that the balances in Account 1576 associated with Whitby Hydro were disposed of on a final basis in 2019 and Elexicon proposed the discontinuation of Account 1575 in this rate application (Ref 5).

1 Questions:

2 a) Please Update Appendix 2-BA (Ref 3) to include both CGAAP and IFRS based
3 fixed asset continuity information for all years from the last approved cost-based rate application
4 through to the merger by rate zone

5 b) Please confirm whether there are any amounts remaining in Account 1575 associated with
6 legacy Whitby Hydro assets after the 2019 disposition.

7 i) If so, please provide the annual balances by year in Appendix 2-EA and explain the nature of
8 these amounts. Please also confirm that all the line items in the consolidated Appendix 2-EA for the
9 WRZ and VRZ reconcile to Appendix 2-BA on a year-by-year basis from the last approved
10 cost-based rate application onward.

11 ii) If not, please explain why no balances remain.

12
13
14 **RESPONSE:**

15 a) Please refer to Attachment 1 for Fixed Asset Continuities since last approved cost-based rate
16 application for each rate zone. Note that both Whitby and Veridian legacy utilities adopted
17 IFRS as of Jan 1, 2014, and as such the Fixed Asset Continuities post-2013 are under IFRS.

18
19 Note that in certain instances the combined OEB account Closing Balances as of March 31,
20 2019, for Legacy Whitby and Veridian will not tie to the April 1, 2019, Opening Account
21 balance for Elexicon Energy Fixed Asset Continuity. The variance primarily relates to
22 adjustments posted between OEB account 2440 – Deferred Revenue and the affected
23 account balances related to correction requirements identified upon review of the asset
24 balances during the merger.

25
26 Additionally, as of April 1, 2019, assets of the virtual Whitby Utility were also transferred to
27 Elexicon Energy, which resulted in a Net Book Value increase of \$0.5 million.

1 For 1575 balance disposition Elexicon has filed Appendix 2-EA in Exhibit 9 – Tab 3 – Schedule
2 5, where the only difference between CGAAP and MIFRS is the treatment of derecognized
3 assets. Under MIFRS, assets values are removed from the fixed asset continuity once the
4 asset is disposed or replaced.

5
6 b) Elexicon confirms that there are no amounts remaining in Account 1575 associated with
7 legacy Whitby Hydro assets after the 2019 disposition.

8
9 i) Not applicable.

10
11 ii) No Account 1575 balances remain for the Whitby Rate Zone due to the EB-2018-
12 0079 Settlement Proposal¹. In the Settlement Proposal, both Parties agreed that a
13 DVA to track variances related to gains/losses associated with the de-recognition of
14 assets on a going forward basis was not required. The Parties also agreed that if
15 Whitby Hydro later demonstrated credible evidence of material incremental de-
16 recognition losses beyond the \$153K in de-recognition losses incorporated in the
17 agreed upon Base Distribution Rate adjustment, the settlement would not prohibit
18 Whitby Hydro from requesting approval to create a new DVA in the future. Elexicon
19 has not requested the creation of a new DVA for this purpose.

¹ EB-2018-0079 Whitby Hydro Electric Corporation Settlement Proposal December 11, 2018 page 15

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 9-STAFF-171

Account 1592 Sub-account CCA Changes

Ref 1: Exhibit 6 / Tab 2 / Schedule 1 / Table 2

Ref 2: EE_Exhibit 6-2-1(1)_PILS Workform_20251219 / Tabs "H8 Sch 8 CCA Hist" ,
"B8 Sch 8 CCA Bridge" and "T8 2027 Sch 8 CCA"

Ref 3: EE_Exhibit 9-3-5(6)_Accelerated CCA PILs Impact_20251219EE_Exhibit 6-2-
1(1)_PILS Workform_20251219

Ref 4: Exhibit 9 / Account 1592 - Sub-account CCA Changes

Ref 5: Bill C-97 (Accelerated Investment Incentive Program - AIIP)

Preamble:

In Refs 1 and 4, Elexicon has recorded balances in Account 1592 - sub-account PILS
and Tax Variance Account - CCA Changes for the years 2018 through 2026 and has
proposed disposition of the full balance of \$8,365,134 accumulated as of December 31, 2026.
Elexicon has further indicated that it does not intend to record additional amounts
in Account 1592 during the 2027 to 2031 period, but proposes that the sub-account remain open in
the event of future tax changes.

OEB Staff notes that, as shown in Ref 2 Elexicon's 2027 test-year CCA calculations
continue to reflect accelerated CCA treatment pursuant to AIIP originally established under Bill C-
97.

OEB Staff observes that the Accelerated CCA PILs Impact calculations presented in
Ref 3 appear to reflect undepreciated capital cost (UCC) amounts and CCA outcomes
that do not align directly with the UCC balances reported in Ref 2 Schedule
8.

OEB staff notes that the amounts calculated under the 50% rule in cells I72, I83, I103, and I114 for the 2019 and 2020 Actual Tax Returns, as presented in the "VRZ - CCA_w accel CCA" tab (Ref 3) are negative.

OEB staff further notes that in tab "WRZ - CCA - w accelerated" of Ref 3, values are calculated under the 50% rule for all tax returns from Q1 2019 through 2024, as well as for the 2025 and 2026 tax forecasts, based on additions related to AIIP. In the same tab, a net adjustment of \$444,914 is shown in cell G55; however, this adjustment does not appear in the corresponding "WRZ - CCA - wo accelerated" tab.

In addition, OEB staff observes that, in the "WRZ - CCA - wo accelerated" tab, WIP is the only item to which the 50% rule was not applied in the 2018 Actual Tax Return, in contrast to the 2019 Actual Tax Return in the same tab, and to both the 2018 and 2019 Actual Tax Returns in the "WRZ - CCA - w accelerated" tab.

Questions:

a) Please describe the circumstances under which Elexicon would propose making further entries to Account 1592 in the future and confirm whether any such use would be subject to OEB approval in a future proceeding.

b) Please confirm whether the continued application of accelerated CCA treatment in Elexicon's 2027 test-year calculations could give rise to additional variances eligible for recording in Account 1592, and if not, please explain how accelerated CCA impacts are proposed to be fully addressed through base rates rather than through further use of the variance account.

c) Please confirm whether Elexicon agrees with the OEB staff's observations in Ref 3.

i) If so, please update the file to reflect the correct calculation.

ii) if not, please explain the reasons for the inconsistencies identified within the file.

d) Please review Ref 3 in its entirety and confirm that all calculations are correct, in addition to addressing the specific observations made by OEB staff.

1

2 **RESPONSE:**

3 This Interrogatory will be responded to in the second round.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 9-STAFF-172

Generic Accounts Not Being Used

Ref 1: Exhibit 9 / Tab 3 / Schedule 6 / pp 1-2

Ref 2" Regulatory Treatment of Pension and Other Post-employment Benefits (OPEBs) Costs / EB-2015-0040 / September 14 / 2017

Preamble:

OEB Staff notes that the application includes Account 1508 - Designated Broadband Project Impacts Deferral Account which have no recorded balances or activity during the historical, bridge, or test-year periods, but are proposed to remain open beyond the rebasing date.

Questions:

a) Please explain the basis for proposing that the account remain open beyond the rebasing date notwithstanding the absence of recorded balances or activity.

b) Please describe the specific circumstances under which Elexicon expects the account to be used in the future, including:

i) the nature of the costs or revenues that would be recorded; and

ii) whether such circumstances are reasonably foreseeable during the 2027-2031 rate period.

RESPONSE:

- a) Elexicon is not aware of, and has not included within its capital forecast, any designated broadband projects within its service territory over the 2027 to 2031 period. Should such projects materialize they will be driven by third party requirements and subject to Ontario Regulation 410/22, and should be eligible to be recorded in Account 1508 – Designated Broadband Project

1 Impacts Deferral Account. Elexicon does not note any requirement in the July 7, 2022 Accounting
2 Order 001-2022 which requires the account to be discontinued at rebasing.

3
4 b) Per a) above, Elexicon would utilize the account in accordance with Accounting Order 001-2022;
5 to carry out activities pertaining to designated broadband projects, in a manner that accords with
6 the requirements set out in Ontario Regulation 410/22. Amounts recorded in the account would
7 include all incremental costs, and incremental revenues, attributable to carrying out such
8 activities. As noted, Elexicon is not aware of any designated broadband projects affecting its
9 service territory over the 2027 to 2031 period, however such projects could materialize, and
10 would necessitate incurring costs beyond those included in distribution rates in order to comply
11 with Provincial regulation. It is reasonable to retain the account. Other generic accounts, such as
12 Account 1592 – Accelerated CCA, have been maintained beyond their anticipated use only to
13 prove required in the future.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 9-STAFF-173

Carrying Charges on New DVAs

Ref 1: Exhibit 9 / Tab 4 / Schedule 2

Preamble:

Elexicon stated that carrying charges will apply to the balances held within the seven proposed new deferral and variance accounts (DVAs) at the OEB's prescribed rates, calculated monthly.

OEB Staff notes that the proposed journal entries include a credit to "Account 1508 - Sub-account Carrying Charges"; however, the draft Accounting Order does not explicitly establish a carrying charges sub-account for the seven proposed new DVAs.

Questions:

a) Please confirm carrying charges are calculated only on the monthly opening principal balance, exclusive of any accumulated carrying charges.

b) Please also revise the draft Accounting Order to explicitly establish a separate carrying charges sub-account within Account 1508 for the seven proposed new DVAs, and to clearly set out the carrying charge calculation method.

RESPONSE:

a) Confirmed.

b) Please see Attachments 1 through 7 to this interrogatory response, in which each of the Draft Accounting Orders of the seven requested deferral and variance accounts have been revised

1 to explicitly include a sub-account for carrying charges and articulate carrying charge
2 methodology.

Account 1508, Sub-Account Earnings Sharing Mechanism Deferral Account

Ellexicon shall establish the new variance account, "Earnings Sharing Mechanism Deferral Account" ("ESMDA"), effective January 1, 2027. The ESMDA will record 50% of incremental earnings of the utility more than 100bps above the OEB-approved ROE, calculated on a cumulative basis over the 2027 to 2031 period.

Ellexicon will monitor the cumulative ROE calculation on an annual basis, however, entries to the ESMDA will be recorded after conclusion of the 2027 to 2031 period, at such time that Ellexicon's net income for each year during that period is known and audited. To calculate whether earnings will be shared with ratepayers via the ESMDA, and to determine the amount of such sharing, Ellexicon will complete the following:

- **Cumulative ROE Calculation:** Ellexicon will divide its cumulative adjusted net income, after specific adjustments (e.g. out of period items), by the cumulative actual deemed equity over the same period to determine the utility's cumulative achieved ROE.
- **Comparison to Approved ROE:** The cumulative achieved ROE will be compared to the OEB-approved deemed ROE established in this proceeding.
- **Deadband and Sharing Threshold:** The ESM includes a 100 basis-point (1.0%) deadband above the approved ROE.
 - If cumulative achieved ROE is within or below the 100 basis-point deadband, no sharing will occur.
 - If cumulative achieved ROE exceeds the approved ROE by more than 100 basis points, 50% of the incremental earnings above that threshold will be entered into the ESMDA as a credit to ratepayers.

The ESMDA will function asymmetrically to the benefit of ratepayers. In addition, a new sub-account will be established to record carrying charges associated with any principal balances in the ESMDA. Carrying charges will apply at OEB-prescribed rates, calculated as simple interest based on monthly opening balances. Ellexicon will bring forward the ESMDA for disposition at its next cost of service application, or as otherwise directed by the OEB.

Journal Entries:

DR: 4080	Distribution Services Revenue

CR: 1508	Sub-Account ESMDA
To record amounts in the ESMDA	
DR: 6035	Other Interest Expense
CR: 1508	Sub-Account ESMDA Carrying Charges
To record carrying charges in Sub-Account ESMDA	

Account 1508, Sub-Account Capital In-Service Additions Variance Account

Elexicon shall establish the new deferral account, “Capital In-Service Additions Variance Account” (CISAVA), effective January 1, 2027. The purpose of this account is to record variances in capital related revenue requirement (“CRRR”) resulting from variances between OEB-approved forecast and actual in-service additions associated with the capital programs listed below:

- Metering & AMI 2.0;
- Substation Renewal;
- Underground System Renewal;
- Overhead System Renewal;
- Reactive Capital;
- Substation Growth;
- Grid Enhancements;
- Voltage & System Conversion;
- Facilities Management;
- Fleet;
- IT Systems;
- Equipment; and,
- OT Systems.

The CISAVA will function on an asymmetrical basis to the benefit of ratepayers, and only cumulative credit balances will be recorded over the term, subject to a 2% in-service addition deadband.

In addition, a new sub-account will be established to record carrying charges associated with any principal balances in the CISAVA. Carrying charges will apply at OEB-prescribed rates, calculated as simple interest based on monthly opening balances. Elexicon will bring forward the CISAVA for disposition at its next cost of service application, or as otherwise directed by the OEB.

Journal Entries:

DR: 4080	Distribution Services Revenue
CR: 1508	Sub Account CISAVA
To record variances in CRRR over 2% in-service addition deadband resulting from cumulative variances in actual versus forecasted in-service additions, within the capital programs subject to the CISAVA	

DR: 6035	Other Interest Expense
CR: 1508	Sub Account CISAVA Carrying Charges
To record carrying charges in subaccount CISAVA	

Account 1508, Sub-Account Demand-Related Variance Account

Elexicon shall establish the new deferral account, “Demand-Related Variance Account” (DRVA), effective January 1, 2027. The purpose of this account is to record variances in capital-related revenue requirement (“CRRR”) resulting from variances between actual and OEB-approved forecast in-service additions associated with the capital programs listed below:

- Externally Initiated Plant Relocation and Expansion
- Customer & Generation Connections
- System Expansion

The DRVA will function on a symmetrical basis. If actual CRRR associated with the Demand Related Capital Programs above is less than forecast, the difference will be credited to the DRVA for future return to rate payers; if greater than forecast, the difference will be debited to the DRVA for future recovery.

In addition, a new sub-account will be established to record carrying charges associated with any principal balances in the DRVA. Carrying charges will apply at OEB-prescribed rates, calculated as simple interest based on monthly opening balances. Elexicon will bring forward the DRVA for disposition at its next cost of service application, or as otherwise directed by the OEB.

Journal Entries:

DR/CR: 1508	Sub-Account DRVA
CR/DR: 4080	Distribution Services Revenue
To record variances in CRRR resulting from variances between actual and forecasted in-service additions within the capital programs which are subject to the DRVA	
DR/CR: 1508	Sub-Account DRVA Carrying Charges
CR/DR: 6035	Other Interest Expense
To record carrying charges in subaccount DRVA	

Account 1508, Sub-Account Connection Cost Recovery Agreement Variance Account

Ellexicon shall establish the new deferral account, "Connection Cost Recovery Agreement Variance Account" (CCRAVA), effective January 1, 2027. The CCRAVA will record on a symmetrical basis variances in capital-related revenue requirement ("CRRR") resulting from variances between OEB-approved forecast and actual in-service additions associated with the following:

- True-up payments made to Hydro One under Connection Cost Recovery Agreements (CCRAs); and,
- Variances in capital contributions paid to Hydro One.

In addition, a new sub-account will be established to record carrying charges associated with any principal balances in the CCRAVA. Carrying charges will apply using the OEB-prescribed rates, calculated as simple interest based on monthly opening balances. The account will be brought forward for disposition at its next cost of service application, or as otherwise directed by the OEB.

Journal Entries:

DR/CR: 1508	Sub-Account CCRAVA
CR/DR: 4080	Distribution Services Revenue
To record variances in CRRR resulting from variances between actual and forecast in-service additions of Hydro One true-up payments or capital contributions	
DR/CR: 1508	Sub-Account CCRAVA Carrying Charges
CR/DR: 6035	Other Interest Expense
To record carrying charges in Sub-Account CCRAVA	

Account 1508, Sub-Account New Stations Deferral Account

Ellexicon shall establish the new deferral account, “New Stations Deferral Account” (NSDA), effective January 1, 2027. The NSDA will record incremental capital-related revenue requirement (“CRRR”) associated with any new station built and owned by Ellexicon or any existing station for which additional capacity was added and not included in Ellexicon’s 2027 to 2031 Distribution System Plan underpinning distribution rates for 2027 to 2031 period.

Balances will be recorded as debits to the NSDA for future recovery by Ellexicon and tracked cumulatively from 2027 to 2031.

In addition, a new sub-account will be established to record carrying charges associated with any principal balances in the NSDA. Carrying charges will apply at OEB-prescribed rates, calculated as simple interest based on monthly opening balances. Ellexicon will bring forward the NSDA for disposition at its next cost of service application, or as otherwise directed by the OEB.

Journal Entries:

DR: 1508	Sub-Account NSDA
CR: 4080	Distribution Services Revenue
To record CRRR related to new stations or any existing station for which additional capacity was added in NSDA	
DR: 1508	Sub-Account NSDA Carrying Charges
CR: 6035	Other Interest Expense
To record carrying charges in NSDA	

Account 1508, Sub-Account Non-Wires Solutions Deferral Account

Elexicon shall establish the new deferral account, "Non-Wires Solutions Deferral Account" ("NWSDA"), effective January 1, 2027. The NWSDA will record incremental operating expenses associated with developing, acquiring, and operating distribution-level Non-Wires Solutions ("NWS") over the 2027 to 2031 period. Eligible cost components are to include:

- incremental labour costs to design, model, execute, and assess the results of a NWS project,
- incremental labour costs for the marketing and program design related to demand response,
- incremental labour costs for project-specific regulatory guidance, and project-specific financial analysis, tracking, reporting, and reconciliation.
- participant costs of a demand response program (e.g. payments to participants),
- consultant/third-party costs associated with discovery work after a need or opportunity is identified that could lead to a specific project,
- consultant/third-party costs associated with engineering studies, benefit cost analysis, and/or program measurement and verification,
- consultant/third-party costs associated with designing and executing a specific project,
- costs of accessing third-party assets (e.g. costs paid to a DER owner/aggregator).

Entries to the NWSDA will be based on actual costs incurred, and balances will be recorded as debits to the NWSDA for future recovery for Elexicon. In addition, a new sub-account will be established to record carrying charges associated with any principal balances in the NWSDA. Carrying charges will apply at OEB-prescribed rates, calculated as simple interest based on monthly opening balances. Elexicon will bring forward the NWSDA for disposition at its next cost of service application, or as otherwise directed by the OEB.

Journal Entries:

DR: 1508	Sub-Account NWSDA
CR: Various Accounts	Operations, Maintenance and Administrative Accounts
To record incremental operations, maintenance and administrative expenses associated with the development, acquisition, operation, evaluation, or other activities directly resulting from NWS	
DR: 1508	Sub-Account NSDA Carrying Charges
CR: 6035	Other Interest Expense

To record carrying charges associated with amounts recorded in Sub-Account NWSDA

Account 1508, Sub-Account Large Load Revenue Variance Account

Elexicon shall establish the new variance account, "Large Load Revenue Variance Account" ("LLRVA"), effective January 1, 2027. The LLRVA will record variances in distribution revenue received from new Large Load Customers ("New LL Customers") connecting to Elexicon's distribution system between January 1, 2025 and December 31, 2031, relative to the 15 New LL Customers in the OEB-approved approved distribution revenue forecast. For the purposes of this account, Elexicon defines New LL Customer as customers in the GS 3,000 to 4,999 KW and Large Use rate classes which did not have active accounts as of December 31, 2024.

Entries to the LLRVA will be based on annual variances between forecast and actual billing determinants of New LL Customers. For fixed charge distribution revenue, entries will be based on the difference in average annual customer count of New LL Customers multiplied by the approved fixed monthly customer charge for the year in question, multiplied by 12. For variable charge distribution revenue, entries will be based on the difference in total annual kW demand billing determinants of New LL Customers. Entries may be recorded as debits or credits to ratepayers, dependent upon whether actual distribution revenues are lower or higher than forecast.

In addition, a new sub-account will be established to record carrying charges associated with any principal balances in the LLRVA. Carrying charges will apply at OEB-prescribed rates, calculated as simple interest based on monthly opening balances. Elexicon will bring forward the LLRVA for disposition at its next cost of service application, or as otherwise directed by the OEB.

Journal Entries:

DR/CR: 1508	Sub-Account LLRVA
CR/DR: 4080	Distribution Services Revenue
To record variances between forecast and actual distribution revenue of 15 New LL Customers over the 2027 to 2031 period	
DR/CR: 1508	Sub-Account LLRVA Carrying Charges
CR/DR: 4405	Interest Income
To record carrying charges associated with amounts recorded in Sub-Account LLRVA	

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 9-STAFF-174

Capital-In Service Additions Variance Account ("CISAVA")

Ref 1: Exhibit 9 / Tab 4 / Schedule 1 / page 1 and Schedule 2 / pp 4-8

Preamble:

In Ref 1, Ellexicon stated that:

Ellexicon is requesting approval of an asymmetrical variance account, to the benefit of ratepayers, to capture cumulative, capital related revenue requirement variance relative to forecast for the majority of its planned in service additions over the 2027 to 2031 period, subject to a 2% in-service addition deadband. The CISAVA will provide incremental ratepayer protection by ensuring ratepayers are credited for lower in-service additions in excess of 2% in the event that Ellexicon does not materially deliver on its investment plan.

In Ref 1, Ellexicon identified forecast net in-service capital additions subject to the CISAVA totaling \$587.7 million over the 2027-2031 period. Ellexicon stated that the proposed CISAVA will track differences between actual and forecast annual in-service additions over the 2027-2031 period for the capital programs listed in section 2.3 implementation.

Ellexicon stated that CISAVA will not apply to investments that are tracked in other proposed accounts, including the Demand-Related Variance Account (DRVA), the New Stations Deferral Account (NSDA), and the Connection Cost Recovery Agreement Variance Account (CCRAVA).

Questions:

a) Please provide a variance analysis of actual versus forecasted total in-service capital additions for

1 historical years.

2 b) Please confirm no amount would be recorded if the cumulative capital additions exceed 98% of the
3 OEB-approved amount.

4 c) Please provide a program level breakdown of the forecast annual in-service capital additions used for
5 CISAVA purposes for each year from 2027 to 2031, consistent with the programs listed in section 2.3.

6 d) Please confirm that the program level annual amounts:

7 i) Reconcile in aggregate to the total forecast net in-service additions subject to CISAVA shown in Table
8 1; and

9 ii) Represent forecast in-service additions, not gross capital expenditures or construction spend.

10 e) Please confirm for purposes of CISAVA, the forecast in-service capital additions
11 are those forming part of the capital plan and revenue requirement approved by
12 the OEB in this proceeding, and that such approved amounts constitute the baseline against which
13 actual in-service additions would be compared.

14 i) If so, please revise the draft Accounting Order to Ref variances between
15 actual in-service capital additions and the OEB-approved forecast amounts, rather than variances
16 between actual and forecast amounts.

17 ii) If not, please identify and describe the forecast that Elexicon intends to use as the CISAVA baseline.

18 f) Please explain how Elexicon will operationally ensure that capital projects and
19 associated capital-related revenue requirement are recorded in only one deferral
20 or variance account where the scope of the accounts may overlap, including how
21 projects with multiple drivers will be allocated and how double counting will be prevented.

22
23 **RESPONSE:**

24
25 a) Please refer to Exhibit 2B - Tab 4 - Schedule 1 - pages 11 – 23 for a variance analysis of actual
26 versus forecasted total in-service capital additions for historical years from 2020 to 2024.
27 Additionally, please see 2B-SEC-53 Attachment 1, Table 1, which contains an update with 2025
28 planned versus actual in-service additions (with ICM embedded) and the variance (%).

1 b) Confirmed.

2
3 c) Refer to 9-CCC-69. The amounts subject to CISAVA represent In-service additions (ISA).

4
5 d) Refer to response c). Note that \$22.1 M of ISA related to Substation Growth -HONI Contributions
6 subject to CCRAVA was inadvertently included in Exhibit 9 - Tab 4 - Schedule 2 - Table 1.

7
8 e) Confirmed.

9 i. Please refer to the response in 9-Staff-173 Attachment 2.

10 ii. Please see i) above.

11
12 f) Elexicon has defined in Exhibit 9 - Tab 4 - Schedule 2 the application and purpose of each new
13 DVA account proposed. Additionally, the classification and driver for capital investment have been
14 noted in the DSP (Exhibit 2B). Each project that Elexicon executes will be classified accordingly.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 9-STAFF-175

Demand-Related Variance Account (“DRVA”)

Ref 1: Exhibit 9 / Tab 4 / Schedule 2 / pp 9-14

Preamble:

Ellexicon stated that:

The proposed DRVA will symmetrically capture cumulative variances between forecast and actual Capital Related Revenue Requirement (“CRRR”) which is composed of: depreciation expense including derecognition, deemed interest, return on equity, and PILs. Ellexicon intends to dispose of the balances in the DRVA in its next rebasing application.

Questions:

a) Please confirm for purposes of DRVA, the forecast in-service capital additions are those forming part of the capital plan and revenue requirement approved by the OEB in this proceeding, and that such approved amounts constitute the baseline against which actual in-service additions would be compared.

i) if so, please revise the draft Accounting Order to Ref variances between actual in-service capital additions and the OEB-approved forecast amounts, rather than variances between actual and forecast amounts.

ii) If not, please identify and describe the forecast that Ellexicon intends to use as the DRVA baseline.

b) Please confirm that the DRVA essentially transfer 100% of the forecast risk regarding the demands in the custom IR application to the ratepayers. If so, please elaborate on why this is necessary and why this is not against the existing rate-setting mechanism.

c) Please provide any precedent cases that Ellexicon is aware of regarding the same/similar demand

1 related variance account.

2
3 **RESPONSE:**

4 a) Confirmed.

5 i. Please see 9-Staff-173, Attachment 3.

6 ii. Please see 9-Staff-173, Attachment 3.

7
8 b) Not confirmed. The majority of Elexicon's capital program is not subject to the DRVA and Elexicon
9 will need to manage forecast risk within the approved envelope for those costs. As articulated in
10 Elexicon's evidence, the requested DRVA is symmetrical in nature and will ensure Elexicon can
11 carry out its mandatory, externally-driven, customer-related investments without impacting
12 other areas of its work program and risking continued deterioration of reliability performance
13 within its service territory. The DRVA also ensures that should growth, relocations, and
14 connections not materialize as forecast, funds will not be repurposed to other programs, but will
15 be returned to ratepayers in the following rebasing application.¹ As such, the DRVA will ensure
16 that customers appropriately contribute to the cost of these externally-driven investments in
17 alignment with existing rules of cost responsibility and ensure that there is no disincentive for
18 Elexicon to fully support housing and economic development in alignment with the provincial
19 government's priorities and the needs of its local communities in a time of uncertainty.

20
21 c) Elexicon is aware of the following similar variance accounts previously the subject of settlement
22 agreements, and/or approved by the OEB:

- 23 • Hydro Ottawa (EB-2019-0261) – Capital Variance Account: Symmetrical Sub-Account: A
24 sub-account to Hydro Ottawa's Capital Variance Account which would symmetrically
25 record revenue requirement variances specific to plant relocations requested by third
26 parties and residential expansion.²

¹ Exhibit 9 - Tab 4 - Schedule 2, pages 12-13

² EB-2019-0261, Settlement Proposal, pages 37-38

- 1 • Hydro Ottawa (EB-2024-0115) – Growth-Related Capital Variance Account: A symmetrical
2 account to record over/underspending in System Access investments related to plant
3 relocation and upgrade, residential subdivision, and new commercial development that
4 enables housing developments, in addition to system service investments related to
5 capacity upgrades.³
6 • Hydro One (EB-2021-0110) – Externally Driven Distribution Projects Variance Account: An
7 account to symmetrically record the revenue requirement impact of overspending or
8 underspending relative to Hydro One’s distribution capital investment plan for joint use
9 and relocations, and customer demand distributed energy resources where they are
10 triggered by specific IESO procurement initiatives.⁴
11 • Toronto Hydro (EB-2023-0195) – Demand Related Capital Variance Account: A
12 symmetrical account to record variances in revenue requirement associated with the
13 following capital programs: Customer Connections, Stations Expansion, Non-Wires
14 Solutions (capital), Generation Protection Monitoring and Control, and Externally-
15 Initiated Plant Relocations and Expansions.⁵

³ EB-2024-0115, Settlement Proposal, page 20. Pending OEB approval of settlement agreement

⁴ EB-2021-0110, Settlement Proposal, Attachment 3, Schedule 2.2. Comparable transmission account provided at Attachment 3, Schedule 1.2

⁵ EB-2023-0195, Settlement Proposal, page 27

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 9-STAFF-176

Connection Cost Recovery Agreement Variance Account ("CCRAVA")

Ref 1: Exhibit 9 / Tab 4 / Schedule 2 / pp 15-19

Preamble:

Elexicon proposed to CCRAVA as a symmetrical variance account to capture variances between forecast and actual capital related revenue requirement associated with capital contributions and true-up payments made to Hydro One Networks Inc. under Connection Cost Recovery Agreements. Elexicon stated that the symmetrical design of the CCRAVA is intended to protect both the utility and ratepayers from variances that are outside management control. Elexicon indicated that the only planned in-service addition subject to the CCRAVA is Hydro One capital contributions totaling \$22.1 million by 2031 related to transmission facilities connecting to the planned GTA East station, with all other Hydro One capital contributions and CCRA true-up payments treated as variances relative to a forecast value of \$0.

Questions:

- a) Please explain the rationale for proposing a symmetrical variance account rather than an asymmetrical variance account.
- b) Please also confirm that all entries to CCRAVA will reflect variances between the forecast capital-related revenue requirement (CRRR) associated with the planned cumulative Hydro One capital contributions of \$22.1 million by 2031 and the actual CRRR, calculated in accordance with the proposed accounting methodology. If not, please clearly identify the forecast baseline(s) against which actual CRRR will be compared for CCRAVA purposes.
- c) Please provide additional clarification and supporting detail regarding the proposed forecast baseline and operation of the CCRAVA, including:

- 1 i) confirmation of the specific transmission asset(s) associated with the \$22.1 million capital contribution
2 and the expected in-service date(s) of those assets;
3 ii) an explanation of how the forecast capital contribution of \$22.1 million is translated into annual CRRR
4 for CCRAVA purposes over the 2027-2031 period;
5 iii) an explanation of how CCRA true-up payments, which do not correspond to new in-service additions,
6 will be reflected in CRRR for CCRAVA purposes, including whether CRRR is recalculated based on the
7 original in-service date of the underlying transmission asset or another contractual
8 or regulatory milestone;
9 iv) confirmation of whether treating all other Hydro One capital contributions and CCRA true-up
10 payments as variances relative to a forecast value of \$0 would result in the full CRRR associated with
11 such payments being recorded in the CCRAVA in a single year, and if so, how this approach
12 appropriately reflects the timing and economic substance of the underlying transactions; and
13 v) revision of the Draft Accounting Order, if required, to incorporate the clarifications provided above,
14 including explicit direction on the forecast baseline, the timing of CRRR recognition, and the recording of
15 CCRAVA entries.

16
17
18 **RESPONSE:**

- 19 a) Variances in revenue requirement associated with capital contributions and cost recovery true-up
20 payments made to Hydro One are outside of the control of Elexicon. Some of the drivers of CCRA true-
21 ups described on pages 15-16 of Exhibit 9 - Tab 4 - Schedule 2 (e.g. variances in load as compared to
22 forecast) can result in either credits or debits, and as such are reasonable for symmetrical variance
23 treatment. Elexicon notes Hydro One Distribution has its own approved variance account to true up
24 distribution revenue requirement variances associated with true-up payments made to the
25 Transmission segment of the Hydro One business.¹
26

¹ EB-2021-0110, Settlement Proposal, Attachment 3, Schedule 2.3

1 b) Confirmed. For further clarity, the baseline for any other CCRA true-ups (e.g. Seaton TS and Belleville
2 DESN2) is \$0 in each year other than 2031.

3
4 c)

5 i. As noted in Exhibit 9 - Tab 3 - Schedule 2 - page 16, the \$22.1 million capital contribution to
6 Hydro One relates to the GTA East Transformer Station with an in-service date in 2031. Please
7 see Exhibit 2B, Tab 4, Schedule 3, Appendix I for the Substation Growth investment narrative,
8 and Appendix I-1 within the same reference, for the GTA East Transformer Station business
9 case.

10
11 ii. The \$22.1 million capital contribution in 2031 will be converted into capital-related revenue
12 requirement upon GTA East Transformer Station being put in-service, in standard course, as
13 follows:

- 14 • The \$22.1 million is considered an intangible asset for Elexicon as it will be a
15 contribution paid to HONI;
- 16 • Amortization of balance is established based on the terms and conditions of the
17 contract with HONI;
- 18 • Interest expense established on the basis of a deemed capital structure of 56% long-
19 term debt and 4% short-term debt, and the deemed interest rates for each
20 approved by the OEB in this proceeding;
- 21 • Return on equity established on the basis of a deemed capital structure of 40%
22 equity, and the OEB-approved return on equity rate approved in this proceeding;
- 23 • PILs established on the basis of Elexicon's corporate income tax rate, incorporating
24 any offsetting tax credits;² and,

² Based on Elexicon's forecast tax loss carryforward and tax credit balances, no PILs are anticipated associated with the 2031 capital contribution

- Application of the half-year rule to first-year in-service additions, for the purpose of determining depreciation.

iii. Elexicon would record any true-up payments in Account 1609 – Capital Contributions Paid in the year in which the true-up payment was made, and would treat the year of entry as the in-service year for the purpose of calculating revenue requirement in the manner described in ii) above. The amortization of such true up payments is set at remaining useful life of the original asset or contribution.

iv. Not confirmed. The revenue requirement associated with true-up payments would begin in the first year in which the payment was made and would be lowered as a result of the half-year rule. In the years thereafter, an annual revenue requirement would be calculated in the manner described in ii) above. Stated differently, the CRRR associated with true-up payments would not be materially different in treatment or outcome from any capital in-service addition.

v. No changes required based on responses above.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 9-STAFF-177

New Stations Deferral Account (“NSDA”)

Ref 1: Exhibit 9 / Tab 4 / Schedule 2 / pp 19-23

Preamble:

Ellexicon proposed to establish a New Stations Deferral Account (NSDA) to record CRRR associated with new station projects required over the 2027-2031 rate term that are beyond the seven station projects forecast in the capital plan. Ellexicon stated that CRRR arising from the in-service additions, net of capital contributions, for such projects would be recorded as debit entries in the NSDA and accumulated for disposition in a future application.

Questions:

a) Please provide additional clarification regarding the proposed operation of the NSDA, including:

i) how Ellexicon will determine whether a station project qualifies as a “new station project... beyond the seven projects listed above”, including how changes in scope, timing, phasing, or re-sequencing of the seven identified projects will be distinguished from genuinely new station projects for NSDA eligibility;

ii) confirmation that only station projects that were not forecast and not included in base rates for the 2027-2031 period will be eligible for inclusion in the NSDA, and an explanation of how Ellexicon will ensure that CRRR recorded in the NSDA is not otherwise reflected in base rate calculations;

iii) an explanation of the timing of CRRR recognition for NSDA purposes, including confirmation of when CRRR begins to be recorded (e.g., in-service date, partial in-service date, or another milestone), and how any potential overlap with base-rate recovery is avoided;

iv) confirmation of whether credit entries would be recorded in the NSDA in circumstances where a qualifying new station project is deferred beyond the rate term, materially downsized, or does not

1 proceed, and if not, an explanation of how ratepayer neutrality is maintained;
2 v) a description of any materiality thresholds, controls, or internal review processes that will be applied
3 before recording CRRR associated with a station project in the NSDA; and
4 vi) revision of the Draft Accounting Order, if required, to reflect the clarifications provided above with
5 respect to NSDA eligibility criteria, CRRR timing, interaction with base rates, and any applicable controls.
6 b) Please provide Elexicon's thought on bring the new stations in its annual custom
7 IR update application for OEB's approval once the actual and/or forecast costs are better known at the
8 time.

11 **RESPONSE:**

12 a)

- 13 i. A station project will be deemed eligible for inclusion in the NSDA if it is not one of the
14 seven stations specifically identified in the list provided at Exhibit 9 - Tab 4 - Schedule 2 -
15 page 21. Any change in timing or cost associated with the seven identified stations will be
16 captured in the Capital In-Service Addition Variance Account ("CISAVA").
- 17 ii. Confirmed. Any station not included in the list of seven stations provided is by definition
18 not currently in Elexicon's capital plan, with no costs built into 2027 to 2031 rates. As
19 such, only incremental CRRR will be recorded in the NSDA.
- 20 iii. Assets will not record CRRR until they are placed into service. As noted above, assets
21 eligible for inclusion in the NSDA are not included in Elexicon's capital plan, and as such
22 there is no overlap with rate base.
- 23 iv. In order for a station project to qualify for entry into the NSDA, it cannot be included in
24 Elexicon's existing capital plan. Further, as articulated in iii) above, no CRRR will be
25 recorded in the NSDA until a qualifying station asset has been placed into service. As such,
26 all CRRR entries to the NSDA will be based on actuals, including actual in-service date, and
27 actual costs. A credit entry is not possible in this context.
- 28 v. As noted in Exhibit 9 - Tab 4 - Schedule 2 - section 5.1, the NSDA applies to "any new
29 station project not currently incorporated into the Stations Growth program of Elexicon's

1 Distribution System Plan” and “any new Station built and owned by Elexicon or any
2 existing station for which additional capacity was added.” Elexicon expects internal
3 review of potential entries to the NSDA would primarily seek to confirm the project in
4 question a) does not relate to one of the seven existing stations identified as excluded
5 from NSDA treatment, and b) either constructs a new station owned by Elexicon, or
6 expands capacity at an existing station. Prudence would be assessed at the time of
7 disposition.

8 vi. Elexicon has not revised the Draft Accounting Order for the NSDA in response to any
9 questions raised or answers provided in this interrogatory response, however a revised
10 Draft Accounting Order is provided at 9-Staff-173 Attachment 5 incorporating other
11 revisions identified during the interrogatory response process.

12
13 b) Elexicon does not believe that utilizing the Annual Update process for review and determinations
14 regarding the cost consequences of new station projects is aligned with the OEB’s guidance in the
15 *Handbook for Utility Rate Applications*, dated October 13, 2016. Elexicon is mindful of the
16 significant effort required by all parties to prepare and adjudicate a Custom IR application, as well
17 as the OEB’s expectation that once rates are established Custom IR applicants are expected to
18 manage within the rates set. Elexicon expects it is for this purpose, among others, that the OEB
19 has excluded use of the Incremental Capital Module for Custom IR applicants. For this reason,
20 Elexicon believes a Deferral Account is the appropriate method to account for additional station
21 projects beyond the seven currently planned. Any future NSDA disposition request will be subject
22 to an OEB prudence review, which will ensure the OEB has appropriate oversight regarding any
23 new station investments made.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 9-STAFF-178

Non-Wire Solutions Deferral Account ("NWSDA")

Ref 1: Exhibit 9 / Tab 4 / Schedule 2 / pp 24-31

Ref 2: Filing Guidelines for Incentives for Electricity Distributors to Use Third-Party DERs as Non-Wires Alternatives / March 28 / 2023

Preamble:

Elexicon states that:

Elexicon is proposing a deferral account to capture any incremental revenue requirement resulting from implementation of Non-Wires Solutions ("NWS") over the 2027 to 2031 period. At present, Elexicon has not included any NWS expenditures in its 2027 to 2031 plan. However, opportunities for NWS may evolve over the rate term due to various factors such as acceleration of customer demand which may cause new capacity constraints, as additional DERs are connected to the system, and as the capabilities of the grid improve due to investments in grid modernization. The NWSDA ensures that Elexicon has the opportunity to pursue NWS when and where it is in the best interest of ratepayers to do so.

Elexicon proposed the account to record incremental OM&A costs associated with non-wires solutions activities. In addressing the materiality criteria, Elexicon states that "Based on publicly available information about other Ontario utilities' programs which are in a more developed state, the potential operational costs related to NWS can range from \$0.1M/MW to \$0.3M/MW, suggesting costs over the five-year period, could well exceed the materiality threshold."

In Ref 2, the OEB identified three incentive mechanisms that distributors may propose in relation to NWS activities:

- a shared savings mechanism,
- a performance target or scorecard-based incentive, and
- a margin on payments to third-party DER providers.

The OEB also indicates that incentive mechanisms, if approved, would typically be tracked through a deferral account established for that purpose.

Questions:

a) Please explain how Elexicon will ensure that only incremental costs directly attributable to non-wires solutions activities are recorded in the NWSDV, and that business-as-usual system planning, engineering, or operations costs are excluded.

b) Please calculate the NWS program capacity needed for the amount in the new account exceeding the materiality threshold, using the current program unit cost per MW.

c) Please indicate which of the three incentive mechanisms identified by the OEB Elexicon anticipates proposing.

d) Please explain how any incentive amounts would be treated for accounting and ratemaking purposes, including whether such amounts would be recorded in the proposed NWS deferral account or in a separate deferral or variance account.

RESPONSE:

a) Elexicon expects disposition of any amounts recorded in the NWSDA will require sufficient documentation to demonstrate that costs are directly related to NWS and are outside of the basis upon which distribution rates are set. To the degree such costs are incurred and recorded in the NWSDA, Elexicon will retain the necessary records to demonstrate incrementality to the OEB.

b) As noted, Elexicon does not currently have a NWS Program or proposed program. Based on the publicly available information reference in evidence and the interrogatory above, one could infer an average NWS cost of \$0.2M/MW for illustrative purposes. Based on this illustrative value and Elexicon's current materiality threshold of \$707,946, it is possible the operational costs of 3.5MW of NWS programming would exceed Elexicon's current materiality threshold. Assuming an NWS Program of this size ran for a period of longer than one year, and assuming the development and implementation of a NWS Program would incur costs beyond NWS operational costs, it is

1 reasonable to expect a NWS Program procuring capacity of less than 3.5MW would exceed
2 Elexicon's materiality threshold.

3
4 c) As noted, Elexicon has not developed a NWS Program or proposal at this time, and cannot
5 speculate which of the available incentive mechanisms would be most appropriate for any future
6 NWS Program.

7
8 d) Elexicon is proposing recording any incentive amounts in the NWSDA. Elexicon also expects
9 review of balances in the account at time of disposition would clearly identify the components of
10 the NWSDA balance, including any portion of the balance relating to utility incentives.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 9-STAFF-179

Disposition of New DVAs

Ref 1: Exhibit 9 / Tab 4 / Schedule 2

Preamble:

In the application and draft Accounting Orders, Elexicon proposes the establishment of multiple new deferral and variance accounts with differing disposition timing. In some places, certain accounts are described as being disposed of at the next cost-of-service (rebasing) application, while other accounts are described as being disposed of in a future application.

Questions:

a) Please explain the criteria or decision framework Elexicon uses to determine whether a new deferral or variance account is proposed to be disposed of at the next cost-of-service application versus in a separate future application. In your response, please describe the key considerations (e.g., nature of costs, degree of uncertainty, linkage to base-rate setting, prudence review requirements) that inform the proposed disposition timing, and how these considerations have been applied to each of the new accounts proposed in this application.

b) Please revise the Draft Accounting Orders, if necessary, to reflect and clearly align with this framework.

RESPONSE:

a) Whether an account is proposed to be disposed of at the next cost-of-service application versus in a separate future application depends on whether the balances are to be evaluated and cleared on a cumulative basis. The OEB's typical policy is that a distributor clears deferral account balances after they are audited. Elexicon's next rebasing application would be for 2032 rates with the application being adjudicated in 2031 meaning that only 2030 audited balances would be available. Accounts that are evaluated on a cumulative basis include the Earnings Sharing

1 Mechanism Deferral Account and the Capital In-service Additions Variance account. These
2 accounts will not have sufficient audited actuals at the time of next rebasing to clear the account
3 and will need to be cleared in a subsequent application.

4
5 The remaining new deferral and variance accounts proposed are not cumulative and can be
6 cleared, in whole or in part, at next rebasing (i.e. Demand-Related Variance Account, New Stations
7 Deferral Account, Connection Cost Recovery Agreement Variance Account, Non-Wires Solutions
8 Deferral Account, Large Load Revenue Variance Account). On review of the Draft Account Orders,
9 Elexicon notes an error in which the Demand-Related Variance Account specifies disposition in a
10 future proceeding, and the Capital In-Service Additions Variance Account specifies disposition at
11 next rebasing, when the disposition timing of each of these accounts should be reversed.
12 Attachments 1 through 7 to 9-Staff-173 corrects this issue and implements more consistent
13 language with respect to disposition timing.

14
15 b) Please see a) above.

RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 9-STAFF-180

Reinstated Accelerated Investment Incentive and Other Tax Incentives

Ref 1: 2025 Federal Budget, Chapter 1, Section 1.2 Supercharging Growth

Ref 2: Legislation passes to implement Budget 2025: Canada Strong

Ref 3: Exhibit 6 / Tab 2 / Schedule 1

Ref 4: 2027 Income Tax/PILS Workform

Ref 5: EE_Exhibit 9-3-5(6)_Accelerated CCA PILs Impact_20251219

Ref 6: Exhibit 9 / Account 1592 - Sub-account CCA Changes

Preamble

Per reference 1, Budget 2025 introduced the “Productivity Super-Deduction”, a suite of federal income tax measures intended to accelerate capital cost recovery for eligible investments. As announced in Budget 2025 and enacted through Bill C-15, the Budget Implementation Act, 2025, No. 1, these measures establish a new accelerated capital cost allowance (CCA) framework applicable to capital investment acquired after 2024.

Budget 2025 announces the government’s intention to move forward with all previously announced measures that would allow businesses to write off the cost of their investments more quickly:

- Reinstatement of the Accelerated Investment Incentive, which provides an enhanced first-year write-off for most capital assets.
- Immediate expensing (i.e., 100-per-cent first-year write-off) of manufacturing or processing machinery and equipment.
- Immediate expensing of clean energy generation and energy conservation equipment, and zero-emission vehicles.
- Immediate expensing of productivity-enhancing assets, including patents, data network

1 infrastructure, and computers.
2 • Immediate expensing of capital expenditures for scientific research and experimental
3 development.

4
5 Prior to Budget 2025, accelerated CCA treatment was provided under the Accelerated
6 Investment Incentive Program (AIIP) enacted through Bill C-97, the Budget Implementation
7 Act, 2019, No. 1. AIIP applied to eligible property acquired after November 20, 2018 and
8 was a temporary measure that phased out and ceased to apply to capital acquisitions after
9 2024. Under Bill C-97, AIIP phased out from 2024 to 2027 and completely ease from 2028.
10 Per reference 2, Bill C-15, the Budget Implementation Act, 2025, No. 1, received Royal
11 Assent on March 26, 2026 and legislatively implements the tax incentives listed above,
12 including the reinstatement of the AIIP to its full effect in 2025.

13
14 Question(s):

15 a) Please provide the PILs model applying the tax incentives including the reinstated AIIP for
16 eligible capital assets and other applicable tax incentives in Budget 2025.

17 b) compare the PILs expense and Account 1592 balance:

18 i) applying RIIP and other applicable tax incentives in Budget 2025; and

19 ii) using the current method proposed by [utility name] using the table below:

20

21

22 Test Year PILs Expenses

23

	2027	2028	2029	2030	2031	Account 1592 balance as of 2026
Applying full RIIP and DIEP from 2025 to 2031 - a	0	0	0	0	0	\$10,094,738

Applying phase-out AIIP from 2025 to 2027 and reverse back to half-year rule from 2028 to 2031 - b	0	0	0	0	0	\$8,365,134
Differences (a-b)						\$1,729,604

1

2

3 **RESPONSE:**

4 Elexicon will provide a response to this interrogatory in the second round.