EXHIBIT 6 – REVENUE REQUIREMENT, SUFFICIENCY/DEFICIENCY

2027 Cost of Service

Lakefront Utilities Inc.
EB-2026-0054

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6.1 PROPOSED REVENUE REQUIREMENT

The 2027 Test Year base revenue requirement is $7,151,812, as calculated in the OEB's Revenue Requirement Work Form (RRWF).

Table 1 presents the proposed revenue requirement and associated utility income.

Table 1 - Test Year Revenue Requirement (RRWF Model Tab 9)

2027 Revenue Requirement (RRWF Model Tab 9)		**Utility Income (RRWF Model Tab 5)**	
Particulars	**Initial Application**	**Particulars**	**Initial Application**
OM&A Expenses	$4,146,221	**Operating Revenues:**	
Amortization/Depreciation	$1,616,283	Distribution Revenue (at Proposed Rates)	$7,151,812
Property Taxes	$60,165	Other Revenue	$764,039
Capital Taxes	$ -		$7,915,851
Income Taxes (Grossed up)	$175,565	Total Operating Revenues	
Other Expenses	$ -		
Return		**Operating Expenses:**	
Deemed Interest Expense	$729,584	OM+A Expenses	$4,146,221
Return on Deemed Equity	$1,188,033	Depreciation/Amortization	$1,616,283
		Property taxes	$60,165
Service Revenue Requirement (before Revenues)	$7,915,851	Capital taxes	$ -
		Other expense	$ -
Revenue Offsets	$764,039		$5,822,669
Base Revenue Requirement	$7,151,812	Subtotal (lines 4 to 8)	
(excluding Transformer Ownership Allowance credit adjustment)			
		Deemed Interest Expense	$729,584
Distribution revenue	$7,151,812		
Other revenue	$764,039	Total Expenses (lines 9 to 10)	$6,552,253
Total revenue	$7,915,851	**Utility income before income taxes**	$1,363,598
		Income taxes (grossed-up)	$175,565
			$1,188,033

LUI confirms that the RRWF accurately reflects its proposed 2027 Test Year revenue requirement and supporting calculations.

Table 2 presents the capital structure and rate base used to derive the return on capital.

Table 2 – Statement of Rate Base (RRWF Model Tab 7)

	(%)	($)	(%)	($)
Debt				
Long-term Debt (Notional)	1.00%	$327,133	3.80%	$12,437
Long-term Debt (Actual)	55.00%	$17,930,240	3.80%	$681,675
Short-term Debt	4.00%	$1,304,098	2.72%	$35,471
Total Debt	60.00%	$19,561,471	3.73%	$729,584
Equity				
Common Equity	40.00%	$13,040,981	9.11%	$1,188,033
Preferred Shares	0.00%	$ -	0.00%	$ -
Total Equity	40.00%	$13,040,981	9.11%	$1,188,033
Total	100.00%	$32,602,451	5.88%	$1,917,617

6.1.1 Trend Analysis and Change from 2022 Cost of Service

Table 3 presents the change in revenue requirement from the 2022 Board-approved cost of service to the proposed 2027 Test Year.

Table 3 – Change in Revenue Requirement from last COS (2022)

Item	2022 Amount	Change	2027 Amount	Notes / Drivers
Opening Revenue Requirement (2022 Board Approved)	$4,701,977.96			As per last CoS decision
OM&A Increase	$2,822,240.59	$1,323,980.53	$4,146,221.12	Inflation, customer growth, cybersecurity, vegetation management, engineering support, compensation increases
Depreciation Expense Increase	$1,001,950.06	$614,332.75	$1,616,282.81	Larger asset base resulting from capital investments placed in service
PILs Variance	$0.00	$175,564.66	$175,564.66	PILs expense applicable in the 2027 Test Year
Net Power Supply & Controllable Expenses Increase	$33,304,340.89	$1,939,433.23	$35,243,774.12	Increased purchased power and controllable costs; primarily pass-through in nature
Rate Base Increase	$22,918,830.70	$9,683,620.60	$32,602,451.29	Growth in net fixed assets and working capital allowance
Deemed Interest Expense	$455,093.41	$274,490.42	$729,583.83	Higher rate base and updated deemed debt rates
Deemed Return on Equity	$793,908.30	$394,125.03	$1,188,033.33	Increased rate base and higher approved ROE
Working Capital Allowance Change	$2,497,825.57	$145,457.49	$2,643,283.06	Increase in power supply costs at 7.5% allowance
Revenue Offset / Other	($429,272.40)	($334,766.60)	($764,039.00)	Higher revenues from specific service charges, late payment charges and other revenue offsets
Total Revenue Requirement Variance		$2,449,834.19		Net change from 2022 Board-approved to 2027 Test Year revenue requirement
Closing Revenue Requirement (2027 Test Year)			$7,151,812.15	Reconciles to RRWF

The proposed 2027 base revenue requirement of $7,151,812 represents an increase of $2,449,834, or 52.1%, relative to the 2022 Board-approved revenue requirement of $4,701,978.

The increase is primarily attributable to growth in OM&A expenses, increases in rate base arising from capital investments completed since the last rebasing application, and the associated increase in the return on capital. OM&A expenses increased by $1.32 million and are discussed in detail in Exhibit 4. Rate base increased by $9.68 million, reflecting growth in net fixed assets and working capital, as described in Exhibit 2. The resulting impacts on depreciation expense, deemed interest expense, and return on equity are discussed in Exhibit 5. In addition, the 2027 Test Year includes PILs expense of $175,565, which was not included in the 2022 Board-approved revenue requirement.

Table 4 provides a summary of the principal drivers contributing to the change in revenue requirement between the 2022 Board-approved level and the 2027 Test Year.

Table 4 - Variance Analysis of Revenue Requirement

REVENUE REQUIREMENT VARIANCE ANALYSIS

Particulars	2022	2022	2023	2024	2025	2026	2027
OM&A Expenses	**$2,822,241**	**$2,578,145**	**$3,132,855**	**$3,241,023**	**$3,744,666**	**$3,928,768**	**$4,146,221**
Year over year change ($)		-$244,095	$554,709	$108,168	$503,643	$184,102	$217,453
Year over year change (%)		-8.65%	21.52%	3.45%	15.54%	4.92%	5.53%
Depreciation Expense	**$1,001,950**	**$1,113,426**	**$1,225,447**	**$1,328,789**	**$1,409,004**	**$1,455,773**	**$1,616,283**
Year over year change ($)		$111,476	$112,021	$103,341	$80,215	$46,769	$160,510
Year over year change (%)		11.13%	10.06%	8.43%	6.04%	3.32%	11.03%
Property Taxes	**$58,058**	**$49,584**	**$53,901**	**$40,124**	**$56,272**	**$58,411**	**$60,165**
Year over year change ($)		-$8,474	$4,317	-$13,777	$16,148	$2,139	$1,754
Year over year change (%)		-14.60%	8.71%	-25.56%	40.24%	3.80%	3.00%
Total Distribution Expenses	**$3,882,249**	**$3,741,156**	**$4,412,203**	**$4,609,936**	**$5,209,943**	**$5,442,953**	**$5,822,669**
Year over year change ($)		-$141,093	$671,048	$197,733	$600,007	$233,010	$379,717
Year over year change (%)		-3.63%	17.94%	4.48%	13.02%	4.47%	6.98%
Regulated Return On Capital	**$1,249,002**	**$1,277,146**	**$1,424,181**	**$1,563,930**	**$1,643,127**	**$1,724,703**	**$1,917,617**
Year over year change ($)		$28,144	$147,036	$139,749	$79,196	$81,577	$192,914
Year over year change (%)		2.25%	11.51%	9.81%	5.06%	4.96%	11.19%
Grossed up PILs	**$0**	**$203,149**	**$164,349**	**$136,366**	**$60,811**	**$23,122**	**$175,565**
Year over year change ($)		$203,149	-$38,800	-$27,983	-$75,555	-$37,689	$152,442
Year over year change (%)		#DIV/0!	-19.10%	-17.03%	-55.41%	-61.98%	659.28%
Service Revenue Requirement	**$5,131,250**	**$5,221,450**	**$6,000,733**	**$6,310,233**	**$6,913,880**	**$7,190,778**	**$7,915,851**
Year over year change ($)		$90,200	$779,283	$309,499	$603,648	$276,898	$725,073
Year over year change (%)		1.76%	14.92%	5.16%	9.57%	4.00%	10.08%
Less: Revenue Offsets	**-$429,272**	**-$716,205**	**-$565,488**	**-$964,761**	**-$948,751**	**-$720,779**	**-$764,039**
Year over year change ($)		-$286,932	$150,717	-$399,273	$16,010	$227,972	-$43,260
Year over year change (%)		66.84%	-21.04%	70.61%	-1.66%	-24.03%	6.00%
Base Revenue Requirement	**$4,701,978**	**$4,505,245**	**$5,435,246**	**$5,345,472**	**$5,965,129**	**$6,469,999**	**$7,151,812**
Year over year change ($)		-$196,732	$930,000	-$89,774	$619,658	$504,870	$681,813
Year over year change (%)		-4.18%	20.64%	-1.65%	11.59%	8.46%	10.54%

6.2 REVENUE DEFICIENCY OR SURPLUS

6.2.1 Calculation of Revenue Deficiency or Sufficiency

LUI is in a revenue deficiency position for the 2027 Test Year. The revenue deficiency represents the difference between the 2027 revenue requirement and the revenues that would be generated under existing rates using the 2027 load forecast.

Based on the approved customer forecast and billing determinants, revenues generated under current rates are projected to be approximately $6.16 million. To recover the proposed 2027 revenue requirement, distribution revenues must increase to approximately $7.15 million, resulting in a revenue deficiency of approximately $987,000.

Tables 5 and 6 present the projected distribution revenues at current and proposed rates, respectively, using the 2027 Test Year load forecast. Table 7, reproduced from the Revenue Requirement Work Form (RRWF), summarizes the calculation of the revenue deficiency and the resulting rate adjustment required to recover the proposed revenue requirement.

The increase in distribution revenue is primarily recovered through adjustments to fixed monthly charges and variable distribution rates. The allocation of the revenue requirement among customer classes is discussed further in Exhibit 7.)

Table 5 – Revenues at current rates vs Proposed Rates (2027 load forecast)

Customer Class	Revenue at Current Rates	Revenue at Proposed Rates	Increase
Residential	$3,615,600	$4,161,018	$545,418
GS < 50 kW	$820,234	$951,787	$131,553
GS 50–4,999 kW	$1,598,919	$1,854,748	$255,829
USL	$24,942	$24,650	($292)
Sentinel	$5,916	$17,324	$11,408
Street Lighting	$99,194	$142,285	$43,091
Total	$6,164,806	$7,151,812	$987,006

Table 6 - Revenue Deficiency (RRWF Tab 8)

Particulars	At Current Approved Rates	At Proposed Rates
Revenue Deficiency from Below		$1,035,229
Distribution Revenue	$6,164,787	$6,116,583
Other Operating Revenue Offsets - net	$764,039	$764,039
Total Revenue	$6,928,826	$7,915,851
Operating Expenses	$5,822,669	$5,822,669
Deemed Interest Expense	$729,584	$729,584
Total Cost and Expenses	$6,552,253	$6,552,253
Utility Income Before Income Taxes	$376,573	$1,363,598
Tax Adjustments to Accounting Income per 2013 PILs model	($551,377)	($551,377)
Taxable Income	($174,804)	$812,221
Income Tax Rate	21.62%	21.62%
Income Tax on Taxable Income	$ -	$175,565
Income Tax Credits	$ -	$ -
Utility Net Income	$376,573	$1,188,033
Utility Rate Base	$32,602,451	$32,602,451
Deemed Equity Portion of Rate Base	$13,040,981	$13,040,981
Income/(Equity Portion of Rate Base)	2.89%	9.11%
Target Return - Equity on Rate Base	9.11%	9.11%
Deficiency/Sufficiency in Return on Equity	-6.22%	0.00%
Indicated Rate of Return	3.39%	5.88%
Requested Rate of Return on Rate Base	5.88%	5.88%
Deficiency/Sufficiency in Rate of Return	-2.49%	0.00%
Target Return on Equity	$1,188,033	$1,188,033
Revenue Deficiency/(Sufficiency)	$811,460	$ -
Gross Revenue Deficiency/(Sufficiency)	$1,035,229	(1)

6.2.2 Causes of Revenue Deficiency

The increase in LUI's 2027 Base Revenue Requirement from $4.70 million in 2022 to $7.15 million in the 2027 Test Year is primarily attributable to growth in OM&A expenses, rate base, and the associated return on capital. OM&A accounts for approximately 54.0% of the increase in revenue requirement and reflects inflationary pressures, compensation adjustments, shared service costs, vegetation management, cybersecurity initiatives, engineering support, and other operational requirements discussed in Exhibit 4.

Capital investments made between 2022 and 2027 increase rate base and contribute to higher depreciation expense and regulated return on capital, which together account for approximately 52.4% of the increase in revenue requirement. Changes in PILs also contribute to the increase in revenue requirement. These increases are partially offset by higher revenue offsets.

Table 7 – Drivers of Revenue Requirement Increase

Driver	Amount ($)	% of Increase	Direction	Evidence Reference
OM&A Expenses	$1,323,980	54.0%	Increase	Exhibit 4 – OM&A
Depreciation Expense	$614,333	25.1%	Increase	Exhibit 2 – Rate Base; Exhibit 5 – Depreciation
Property Taxes	$2,107	0.1%	Increase	Exhibit 4 – OM&A
Regulated Return on Capital	$668,615	27.3%	Increase	Exhibit 2 – Rate Base; Exhibit 5 – Cost of Capital
Grossed-up PILs	$175,566	7.2%	Increase	Exhibit 5 – PILs
Subtotal Cost Increases	$2,784,601	113.7%	Increase	—
Increase in Revenue Offsets	($334,767)	(13.7%)	Decrease	Exhibit 3 – Other Revenue
Net Increase in Base Revenue Requirement	$2,449,834	100.0%	—	RRWF / Exhibit 1

6.3 TAXES & PAYMENTS IN-LIEU OF TAXES (PILS)

Lakefront Utilities Inc. ("Lakefront") has used the OEB's PILs Tax Work Form to calculate income taxes for inclusion in its revenue requirement. The PILs model has been prepared in accordance with MIFRS and applicable federal and provincial income tax legislation.

Lakefront files federal and provincial corporate income tax returns annually and confirms that there are no outstanding audits, reassessments, or material tax disputes that would affect the amounts included in this Application. Lakefront has applied the stand-alone principle in determining PILs.

The PILs model reflects actual tax information for the 2025 Historical Year, forecast information for the 2026 Bridge Year, and projected information for the 2027 Test Year. The 2025 year is a projected tax filing position, and Lakefront's final 2025 federal and provincial income tax returns will be filed by June 30, 2026.

For the 2025 Historical Year, Lakefront recorded regulatory taxable income of $782,244 and a PILs provision of $207,295.

For the 2026 Bridge Year, Lakefront forecasts regulatory loss of $48,193 and PILs provision of $0.

For the 2027 Test Year, Lakefront forecasts regulatory taxable income of $588,463. Applying the applicable Ontario and federal income tax rates, including the small business deduction where applicable and bridge year loss carry forward of $48,193, results in provincial taxes payable of $49,623 and federal taxes payable of $75,221, for total PILs of $124,845. After application of the OEB gross-up methodology, the resulting income tax amount included in the revenue requirement is $158,463.

Detailed calculations of taxable income and PILs are provided in the OEB PILs model filed with this Application. Lakefront is not claiming Apprenticeship Training Tax Credits. All adjustments required to reconcile accounting income to taxable income are reflected in the PILs model.

6.3.1 Other Taxes and Non- Recoverable and Disallowed Expenses

Lakefront confirms that expenses deemed non-recoverable in the revenue requirement, or otherwise disallowed for regulatory purposes, have been excluded from the regulatory tax calculation.

Lakefront acknowledges that Account 6105 represents non-operating or regulatory adjustment items and has been excluded from OM&A totals and from the determination of regulatory taxable income.

6.3.2 Accelerated CCA

Lakefront has reviewed the impact of federal accelerated capital cost allowance provisions, including the Accelerated Investment Incentive Program (AIIP"), on its PILs calculations and associated regulatory deferral accounting. As part of Lakefront's 2022 Cost of Service proceeding (EB-2021-0039), and the decision that forecast PILs would reflect the application of accelerated CCA, and the resulting impacts were incorporated into approved rates.

For the 2022 taxation year, accelerated CCA embedded in rates was consistent with actual tax treatment, and no new principal movement was recorded in Account 1592. Activity in 2022 was limited to the continuation of the opening balance and associated interest. Account 1592 was initially established in 2021 to capture timing differences between rate-embedded accelerated CCA and actual CCA deductions available under tax legislation. This resulted in an initial credit balance to ratepayers, which has been carried forward through subsequent years.

In 2023, the account continued to reflect the outstanding 2021-origin balance, with activity limited to interest accrual on the existing balance and no new principal movement. In 2024, changes in accelerated CCA treatment resulted in differences between rate-embedded assumptions and actual CCA deductions, resulting in additional principal impacts to Account 1592.

In 2025, accelerated CCA treatment was consistent with current federal tax legislation. The year reflects continued movement in Account 1592 arising from prior-year balances and current-year timing differences. As at December 31, 2025, the Account 1592 principal balance is a net credit of ($20,870), with a related interest sub-account balance of ($6,169).

Lakefront confirms that the 2027 Test Year PILs model reflects current legislation and forecast tax treatment. No separate recovery from or refund to ratepayers related to accelerated CCA is proposed beyond the amounts reflected in the PILs model and the ongoing disposition of Account 1592 balances.

Lakefront Utilities is not requesting a tax smoothing mechanism as part of this application. The application reflects the standard treatment of accelerated CCA through the PILs model and the ongoing disposition of Account 1592. A workbook to that effect is filed with this application.

Treatment of ICM Additions in Account 1592: Only the qualifying 2024 capital additions associated with the MS28-3 Substation ICM project have been included in Account 1592 – PILs and Tax Variances for 2006 and Subsequent Years. The project was placed in service in 2023 at a cost of $2,535,311. During 2024, additional qualifying capital expenditures of $61,772 were incurred, increasing the total project cost to $2,597,083.

The eligible 2024 capital additions resulted in an incremental CCA variance of $654.78, which has been reflected in the Account 1592 continuity. The 2023 in-service capital investment of $2,535,311 has not been included in Account 1592, as it was not eligible for inclusion.

6.3.3 PILs Integrity Check

Lakefront confirms that the PILs model has been completed in accordance with the OEB's Minimum Filing Requirements and that all required integrity checks have been satisfied.

In particular:

- Depreciation and amortization added back in the PILs model agree with the amounts presented in the rate base section of this Application.
- Capital additions and deductions reflected in the UCC/CCA schedules are consistent with the rate base for the historical, bridge, and test years.
- The closing UCC balances from the most recent federal T2 income tax return reconcile to the opening balances used in the bridge year.
- CCA deductions in the PILs model are consistent with the UCC schedules filed in support of the Application.
- Any tax loss carryforwards reflected in the tax returns are consistent with those applied in the PILs model.
- CCA has been maximized for regulatory purposes, consistent with OEB policy and applicable tax legislation.

The PILs model reflects 2025 Historical Year PILs of $207,295, 2026 Bridge Year PILs of $23,122, and 2027 Test Year PILs of $137,616, resulting in a grossed-up income tax provision of $175,565 for inclusion in the Test Year revenue requirement.

6.4 OTHER REVENUE

Other Distribution Revenues are distribution-related revenues but are sourced from means other than distribution rates. As these revenues are recovered from sources other than distribution rates, they are deducted from LUI's revenue requirement

Other Distribution Revenues include items such as:

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

Table 8 provides Appendix 2-H listing the Other Revenue accounts. Detailed breakdowns of material accounts are provided in Tables 9 through 13

Year-over-year variance analysis over the materiality threshold of $50,000 follows at Section 6.4.1 - Other Revenue Variance Analysis.

Table 8 – OEB Appendix 2-H

USoA #	USoA Description	2022 BA	2022 Actual	2023 Actual	2024 Actual	2025 Actual	2026 Bridge	2027 Test
4082	Retail Services Revenues	($10,000)	($12,520)	($12,829)	($16,994)	($11,156)	($11,669)	($11,786)
4084	Service Transaction Requests (STR) Revenues	($2,700)	($3,179)	($3,130)	($8,198)	($2,709)	($2,834)	($2,862)
4086	SSS Administration Revenue	($39,562)	($39,983)	($40,609)	($41,424)	($42,093)	($44,029)	($44,470)
4205	Interdepartmental Rents		($56,249)	($28,687)	($28,687)	($28,687)	($63,308)	($65,178)
4210	Rent from Electric Property	($182,631)	($109,547)	($136,936)	($5,991)	($268,139)	($135,000)	($135,000)
4225	Late Payment Charges	($45,500)	($25,209)	($26,105)	($41,016)	($57,177)	($58,892)	($60,659)
4235	Miscellaneous Service Revenues	($143,880)	($391,704)	($166,479)	($727,627)	($364,762)	($396,719)	($436,998)
4340	Profits and Losses from Financial Instrument Investments	$0	$0	($22,114)	($85,794)	($15,188)	$0	$0
4355	Gain on Disposition of Utility and Other Property	$0	$8,000	$0	$0	$6,681	$0	$0
4375	Revenues from Non-Utility Operations	$0	($26,911)	($53,053)	($9,817)	($38,402)	($24,371)	($25,102)
4380	Expenses of Non-Utility Operations	$0	$24,244	$50,184	$44,676	$27,591	$21,371	$22,012
4405	Interest and Dividend Income (excluding DVA)	(5,000)	($67,146)	($125,730)	($215,476)	($141,348)	($5,328)	($3,996)
	Miscellaneous Service Revenues	($143,880)	($391,704)	($166,479)	($727,627)	($364,762)	($396,719)	($436,998)
	Late Payment Charges	($45,500)	($25,209)	($26,105)	($41,016)	($57,177)	($58,892)	($60,659)
	Other Operating Revenues	($234,892)	($221,478)	($222,191)	($101,295)	($352,784)	($256,840)	($259,296)
	Other Income or Deductions	($5,000)	($77,813)	($150,713)	($94,823)	($174,028)	($8,328)	($7,086)
	TOTAL	($429,292)	($716,205)	($565,488)	($964,761)	($948,751)	($720,779)	($764,039)

6.4.1 Other Revenues Variance Analysis

LUI offers the following explanations for variances over $50,000. Noteworthy variances between are explained below.

Table below present year over-year variances of other operating revenues:

Table 9 - Absolute Variance Analysis of Other Operating Revenues

USoA	Description	2023 vs 2022	2024 vs 2023	2025 vs 2024	2026 vs 2025	2027 vs 2026
4210	Rent from Electric Property		+130,945	-262,148	+133,139	
4235	Miscellaneous Service Revenues	+225,225	-561,148	+362,865		
4340	Profits and Losses from Financial Instrument Investments		-63,680	+70,606		
4405	Interest and Dividend Income	-58,584	-89,746	+74,128	+136,020	

Note: Positive variances represent reductions in revenue (less negative balances), while negative variances represent increases in revenue.

The material variances shown above are primarily attributable to fluctuations in miscellaneous service revenues, rental revenues, investment-related income, and interest income. Several of these variances relate to non-recurring events or changing market conditions and are not expected to continue in the forecast period. Forecast amounts included in the Bridge Year and Test Year generally reflect normalized activity levels and current expectations.

The following discussion explains material year-over-year variances in Other Revenues exceeding $50,000.

4210 – Rent from Electric Property

Table 10 – Breakdown of Account 4210 Rent from Electric Property

Description	2022	2023	2024	2025	2026	2027
Pole attachment / telecom lease	($109,547)	($136,936)	($5,991)	($268,139)	($135,000)	($135,000)
Other rental income	0	0	0	0	0	0
Total	($109,547)	($136,936)	($5,991)	($268,139)	($135,000)	($135,000)
RRR Integrity Check	($109,547)	($136,936)	($5,991)	($268,139)	($135,000)	($135,000)

The revenues recorded in this account relate primarily to pole attachment and telecommunications lease agreements.

Revenue levels were relatively consistent in 2022 and 2023, averaging approximately $123,000 per year. The unusually low revenue recorded in 2024 and corresponding increase in 2025 are attributable to a timing issue in revenue recognition. Revenue that would normally have been recorded in 2024 was recognized in 2025, resulting in a catch-up adjustment in that year.

As a result:

- 2024 vs. 2023 (-$130,945): Revenue decreased due to the timing of revenue recognition, resulting in significantly lower revenues being recorded in 2024.
- 2025 vs. 2024 (+$262,148): Revenue increased due to the catch-up recognition of amounts relating to both 2024 and 2025.

The combined revenue recorded in 2024 and 2025 averages approximately $137,000 annually, which is consistent with historical levels and supports the forecast amounts of $135,000 included for both the 2026 Bridge Year and 2027 Test Year.

4235 – Miscellaneous Service Revenues

Table 11 – Breakdown of Account 4235 Miscellaneous Service Revenues

Description	2022	2023	2024	2025	2026	2027
Specific Service charges	($54,525)	($62,682)	($69,354)	($53,660)	($55,336)	($56,996)
Contributions	($121,753)	($138,189)	($172,388)	($208,513)	($237,308)	($272,804)
Recoverable work	($41,583)	($32,974)	($42,191)	($99,721)	($101,120)	($104,154)
Misc. revenue	($0)	$33,720	($424,618)	($2,868)	($2,954)	($3,043)
Actuary costs	($173,843)	$33,648	($19,076)	($0)	($0)	($0)
Total	($391,704)	($166,479)	($727,627)	($364,762)	($396,719)	($436,998)
RRR Integrity Check	($391,704)	($166,479)	($727,627)	($364,762)	($396,719)	($436,998)

Miscellaneous Service Revenues consist primarily of specific service charges, customer contributions, recoverable work, miscellaneous revenues, and actuarial-related recoveries.

The primary driver of the 2024 variance was a one-time DVA Power and Global Adjustment reconciliation adjustment of approximately $425,000 recorded in Miscellaneous Revenue.

- 2023 vs. 2022 (+$225,225): The variance is primarily attributable to a reduction in actuarial-related recoveries recorded in this account compared to the prior year. Beginning in 2025, actuarial costs associated with post-retirement benefits are recorded in Account 5646.
- 2024 vs. 2023 (-$561,148): The variance is primarily attributable to one-time DVA Power and Global Adjustment reconciliation entries recorded in 2024, together with year-over-year changes in actuarial-related recoveries.
- 2025 vs. 2024 (+$362,865): The variance is primarily attributable to the absence of the one-time DVA Power and Global Adjustment reconciliation entries recorded in 2024.

Forecast revenues for the Bridge Year and Test Year reflect ongoing customer contributions, recoverable work, and miscellaneous service revenues and do not include the impact of non-recurring DVA reconciliation entries.

4405 – Interest and Dividend Income

Table 12 – Breakdown of Account 4405 – Interest and Dividend Income

Description	2022	2023	2024	2025	2026	2027
DVA accounts interest	($61,490)	($110,081)	($204,813)	($134,113)	($5,328)	($3,996)
Bank and customer interest	($5,656)	($15,649)	($10,663)	($7,235)	($0)	($0)
Total	($67,143)	($125,730)	($215,476)	($141,348)	($5,328)	($3,996)
RRR Integrity Check	($67,146)	($125,730)	($215,476)	($141,348)	($5,328)	($3,996)

Interest and Dividend Income consist primarily of carrying charges associated with DVA balances and interest earned on cash balances and customer accounts.

- 2023 vs. 2022 (-$58,584): The increase in revenue is primarily attributable to higher carrying charges calculated on DVA asset balances.
- 2024 vs. 2023 (-$89,746): The increase in revenue is primarily attributable to a one-time interest correction associated with the 2016–2023 DVA Power and Global Adjustment reconciliation entries recorded in 2024.
- 2025 vs. 2024 (+$74,128): Revenue decreased due to the absence of the one-time interest correction recorded in 2024.
- 2026 vs. 2025 (+$136,020): Revenue decreased due to the anticipated disposition and reduction of DVA balances, resulting in significantly lower carrying charge revenues.

As DVA balances are expected to decline following disposition, forecast interest revenues in the Bridge Year and Test Year are substantially lower than historical levels.

4340 – Profits and Losses from Financial Instrument Investments

Table 13 – Breakdown of Account 4340 – Profits and Losses from Financial Instrument Investments

Description	2022	2023	2024	2025	2026	2027
Investment Gain/Loss Category	0	($22,114)	$85,794	($15,188)	0	0
Total	0	($22,114)	$85,794	($15,188)	0	0
RRR Integrity Check	0	($22,114)	$85,794	($15,188)	0	0

This account reflects annual mark-to-market adjustments provided by TD Bank on outstanding loan instruments. The valuation is based on prevailing market interest rates relative to the contractual interest rates associated with the loans.

2024 vs. 2023 (-$63,680)

The profits and losses from financial instrument investments is the valuation of the bank loans based on the year end market rates vs the book value of the loans. The loan valuation report is provided by TD bank and is called the Mark to Market valuation. The 2024 valuation is unfavourable due the market interest rates being more favourable than the loan interest rates.

2025 vs. 2024 (+$70,606)

The 2025 valuation is favourable due the market interest rates being less favourable than the loan interest rates.

6.4.2 Proposed Specific Service Charges

LUI does not propose any changes or new Specific Service Charges beyond those previously approved by the OEB, except for the annual update to pole attachment charges in accordance with OEB direction. The Specific Service Charges are provided at Exhibit 8.6.2.

LUI confirms that forecast amounts for Other Operating Revenues, including Miscellaneous Service Revenues and Other Electric Revenues, are based on historical activity levels and reflect the continuation of existing charges as approved by the OEB.

Wireline Pole Attachment Charges

Pole attachment charges are updated annually in accordance with OEB-issued orders. As of June 19, 2025 (EB-2025-0200), the 2026 distribution pole attachment charge is set at $40.59 per attached, per pole, per year, effective January 1, 2026. LUI has used this charge as a basis for these revenues.

LUI no longer records a variance related to differences between previously approved and updated pole attachment rates as rates are updated yearly through yearly IRM mechanism.

MicroFIT Monthly Service Charge

LUI is not proposing any change to the microFIT Monthly Service Charge of $5, as approved in its 2022 Cost of Service application.

LUI has reviewed its microFIT-related costs and revenues and has determined that no adjustment to the charge is required. microFIT revenues are included within Other Operating Revenues and are not a material driver of overall revenue trends. MicroFIT revenues are recorded as a revenue offset in Miscellaneous Service Revenues (4235) in accordance with OEB requirements.

6.4.3 Revenue from Affiliate Transactions, Shared Services, Corporate Cost Allocation.

LUI receives shared administrative, operational, billing, engineering, and management services from LUSI. The costs associated with these services are allocated to LUI and recorded directly in the applicable OM&A accounts. Details of these arrangements, including the allocation methodology and amounts charged, are provided in Appendix 2-N and Exhibit 4.

In addition, LUI records rental revenue from its affiliate, LUSI, related to office space at the Division Street property. This revenue is recorded in Account 4205 – Rent from Electric Property.

LUI does not record affiliate revenues in Account 4375 – Revenues from Non-Rate Regulated Activities or affiliate expenses in Account 4380 – Expenses of Non-Rate Regulated Activities. Accordingly, Accounts 4375 and 4380 contain nil balances related to affiliate activities for the historical, bridge, and test years.

LUI confirms that its transfer pricing and cost allocation methodologies are consistent with Article 340 of the Accounting Procedures Handbook and do not result in cross-subsidization between regulated and non-regulated activities.

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APPENDICES

List of Appendices

APPENDIX 6A

KPMG

KPMG LLP
400-863 Princess Street
Kingston ON K7L 5N4
Canada
Telephone (613) 549-1550
Fax (613) 549-6349

PRIVATE AND CONFIDENTIAL

Dereck Paul
President
Lakefront Utilities Inc.
207 Division Street
Cobourg ON K9A 4L3

June 26, 2026

Dear Mr. Paul:

CORPORATE INCOME TAX RETURNS

We have prepared and enclose the corporate income tax return(s) (the "Returns") of Lakefront Utilities Inc. (the “Company”) for the taxation year ended December 31, 2025.

- ☑ T2 – *Corporation Income Tax Return* - EXEMPT
- ☑ T183 - *Information Return for Corporations Filing Electronically* (Federal - to be e-filed with CRA) - EXEMPT
- ☑ T2 – *Corporations Income Tax Return* (to be filed with Ministry of Finance) - PILS
- ☑ Instalment Schedule
- ☑ Client copy for your records

We have prepared these Returns based on our understanding of and reliance upon the facts, data, materials, assumptions and other information (collectively, the “Information”) provided to us by the Company and/or its representatives, and we have not independently investigated or verified the accuracy or completeness of such Information. We accept no responsibility or liability for any errors attributable to our reliance upon inaccurate or incomplete Information. We recommend that you carefully review the Returns in their entirety to ensure that all of the relevant Information is correctly and completely disclosed.

Note that taxable dividends received by a corporation resident in Canada that are otherwise tax-deductible in computing taxable income under Part I of the Income Tax Act (the "intercorporate dividends") may be re-characterized, under the anti-avoidance rule in subsection 55(2) of the Income Tax Act, as capital gains that are subject to tax if, in general terms, (i) the dividend exceeds safe income that is contributing to a gain on the share on which the dividend was paid and (ii) one of the purposes of the payment or receipt of the dividend is described in subsection 55(2.1).

You have advised us that there is sufficient safe income to support the position that the anti-avoidance rule does not apply to the intercorporate dividends reported in the Returns. The safe income exception to the application of subsection 55(2) applies only to the extent of an accrued gain on the shares of the dividend payer (i.e., to the extent that the fair market value of the shares on which the dividend was paid exceeded their adjusted cost base at the time of the dividend payment). If a dividend paid by the Company exceeded such gain, if any, or if there is no gain, the excess may be re-characterized as a capital gain to the dividend recipient subject to tax under subsection 55(2) (unless none of the purposes in subsection 55(2.1) are present).

Any balances owing must be remitted by the due date (as set out in the Filing Instructions), or as soon as possible, if interest charges are to be minimized.

KEY TAX ATTRIBUTES SUMMARY

We are pleased to provide you with select key tax information on the *Corporate Tax Return - Key Tax Attributes Summary*. This document lists key amounts and carryforward balances from the Returns and may assist in identifying future potential tax planning opportunities.

FOREIGN AFFILIATE REPORTING REQUIREMENTS

Foreign affiliate reporting rules require a taxpayer who is a Canadian resident corporation to file a federal information return (Form T1134 - *Information Return Relating to Controlled and Non-Controlled Foreign Affiliates*) if a non-resident corporation is a foreign affiliate of the taxpayer at any time in the year. Failure to file the information return, which includes both the T1134 Summary and Supplements, may result in substantial penalties being assessed by the Canada Revenue Agency (CRA). Generally, a foreign affiliate is a non-resident corporation whose shares are owned by a Canadian resident taxpayer or partnership as follows:

- at least 1% is owned directly or indirectly by the Canadian resident taxpayer; and
- at least 10% is owned directly or indirectly by the Canadian resident taxpayer and related persons.

The CRA provides an administrative exception to filing the T1134 supplement in respect of a foreign affiliate where the Canadian resident taxpayer's total cost amount at any time in the year of interests in that foreign affiliate was less than $100,000 and the foreign affiliate is "dormant" or "inactive", meaning that the foreign affiliate:

- had gross receipts (including both income receipts and non-income receipts such as proceeds from the disposition of property or receipt of loan proceeds) of less than $100,000 in the year; and
- at no time in the year had assets with a total fair market value of more than $1,000,000.

Only base level information is required to be reported for foreign affiliates that meet the administrative exemption above.

Our review of the Company's investments indicates that the Company is not required to file a T1134 return for its taxation year ended December 31, 2025. However, should you have any questions regarding a particular investment, please contact us as soon as possible so that we can review our findings and, if necessary, assist you in preparing the information return so that it can be filed within the statutory 10-month period following the Company's year end.

The T1134 return must be filed within 10 months of the Company's year-end. The CRA revised the T1134 form which now includes additional questions and requires significantly more details than requested in the past. In particular, the questions pertaining to upstream loans, foreign affiliate dumping and elections regarding the ordering of surplus distributions are onerous. Furthermore, it is very important that companies have up to date surplus calculations. If the corporation does not maintain surplus calculations in support of the dividend deduction claimed, CRA has indicated that the deduction could be disallowed. If you have any further questions about how these changes affect your Company or would like to engage KPMG to assist with your adjusted cost base and surplus calculations, please contact us, and we would be pleased to discuss them with you.

FOREIGN PROPERTY

The information return, which reports the Company's specified foreign property, is Form T1135 - *Foreign Income Verification Statement*. Form T1135 should be completed if at any time during the taxation year 2025 the total cost of all specified foreign property the Company owned or held a beneficial interest in was more than Cdn$100,000.

According to the information you have provided to us, the Company did not hold specified foreign property at any time in the taxation year 2025 with a total cost of more than Cdn$100,000. As such, we have **not** marked an X in box 259 on page 3 of your return and **we have not completed the Form T1135**. If the information on specified foreign property is incorrect, please let us know immediately.

Should Form T1135 be required, it is due by **June 30, 2026**. The implications of late filing and/or failure to properly report specified foreign property on the Form T1135 and failure to report income from a specified foreign property on your income tax return are substantial. They include significant penalties and an increase to the normal reassessment period by an additional 3 years. Further, the reassessment period extension would impact otherwise statute-barred tax years and would impact the entire income tax return, not just the foreign income and reporting sections.

BEPS - GLOBAL MINIMUM TAX (CANADA)

On June 20, 2024, Canada enacted the Global Minimum Tax Act (the “GMTA”) to implement the OECD’s Pillar Two global minimum tax framework in Canada. The GMTA generally applies to qualifying multinational enterprise groups with consolidated revenue of at least €750 million (in two of the previous four years) and applies for fiscal years beginning on or after December 31, 2023. Elective transitional safe harbour relief may be available for the initial implementation period in certain circumstances.

The GMTA also introduces significant new compliance, reporting, and disclosure requirements for in-scope groups. These may include registrations for a CRA global minimum tax program account, as well as new prescribed returns and/or notification filings. These requirements are separate from the annual Canadian corporate income tax return. Global minimum tax legislative, administrative, reporting and/or compliance requirements may also apply in foreign jurisdictions in which in-scope groups have a presence.

KPMG has not been engaged to assist with the Pillar Two notification(s), nor any prescribed returns to be filed in Canada.

Please contact us if you have any questions or concerns about how the Pillar Two rules may apply to your situation.

ANNUAL INFORMATION RETURN FOR ONTARIO CORPORATIONS

Corporations incorporated, continued, or amalgamated in Ontario and subject to the Ontario Business Corporations Act or the Ontario Corporations Act, excluding registered charities under the federal Income Tax Act, must update their information annually. The Ontario Ministry of Government Services (MGS) public records are required to contain accurate and complete information. As of May 15, 2021, the CRA no longer accepts the filing of these annual returns. Corporations must now use the Ontario Business Registry to file their annual information returns, as the province’s temporary filing exemption has expired. Corporations must file their annual information returns due on October 19, 2021 or later by their respective due dates using the new system. The Ontario annual information return continues to be due 6 months after year-end, for returns due on or after October 19, 2021. As an alternative to filing their own annual information return, a corporation can use an intermediary such as KPMG to complete and file the return. If the corporation is using a registered intermediary, then the corporation will not have to register with the new Ontario Business Registry.

If you have any questions about the Ontario annual information returns or the recent filing changes, please contact us and we would be pleased to discuss them further.

GENERAL RATE INCOME POOL ("GRIP")

Shareholders receiving eligible dividends as compared to non-eligible dividends, are subject to a reduced rate of income tax. Eligible dividends are paid out of the Company’s GRIP balance, which at December 31, 2025 is estimated to be $6,674,530. The supporting calculation is summarized in Schedule 53 of the federal corporate tax return.

In addition, designation of eligible dividends is required, with each shareholder recipient being formally notified in writing <u>at time of payment</u>.

The Company did not designate the payment of an eligible dividend for the current taxation year.

CRS AND FATCA REPORTING REQUIREMENTS

Certain Canadian entities are required to report to the Canada Revenue Agency annually on any account holders determined to be Specified US persons under *Part XVIII - Enhanced International Information Reporting* of the Canadian *Income Tax Act* (the Canadian implementation of the US *Foreign Account Tax Compliance Act*, commonly referred to as “FATCA”).

Certain Canadian entities are also required to report to the Canada Revenue Agency annually on any account holders determined to be tax residents of countries other than Canada or the United States under *Part XIX - Common Reporting Standard* of the Canadian *Income Tax Act* (commonly referred to as the “CRS”).

Please contact us if you have any questions about responding to a request from a financial institution to certify your FATCA or CRS status, or determining whether you are subject to the due diligence and reporting requirements under the CRS or FATCA.

PROPOSED TAX CHANGES

The Company's tax Returns have been prepared taking into account certain proposals to amend the federal and provincial tax statutes which have been publicly announced to date in budgets and other government releases as being applicable to the Company's current taxation year, even though the proposals may not yet be enacted. If the proposed amendments are not enacted as announced, these tax returns could be reassessed and may result in an underpayment of tax, and possible interest and penalties. If you receive an assessment or reassessment for these tax returns that does not agree with the returns filed, it is important that you notify us so that we can determine if any action needs to be taken.

EIFEL INTEREST DEDUCTIBILITY LIMITATIONS

The Excessive Interest and Financing Expenses Limitation (EIFEL) rules apply for taxation years beginning on or after October 1, 2023, and were enacted to limit the deductibility of net interest and financing expenses deductible for Canadian income tax purposes.

Where applicable the EIFEL rules generally restrict deductible net interest and financing expenses to a fixed ratio of “adjusted taxable income” of 40% for taxation years beginning on or after October 1, 2023, and before January 1, 2024, and 30% for all taxation years beginning on or after January 1, 2024. The EIFEL rules contain several election provisions that may allow for alternative tax treatment if the required conditions are met. The EIFEL rules also introduce additional compliance, reporting, and disclosure requirements for affected taxpayers, including the completion of prescribed forms or schedules where the taxpayer is subject to the rules or is party to an EIFEL election.

Please contact us if you have any questions or concerns about how the EIFEL rules may apply to your situation.

KPMG has reviewed the application of the EIFEL rules for the taxation year based on the information and data provided by you. Based on our review, no related adjustments have been reflected in the tax return.

INSTALMENTS

We have prepared and enclose an estimate of tax instalments as applicable for the Company for the taxation year ending on December 31, 2026. The amounts were computed with reference to the Company's taxable income, taxable capital and income taxes payable for prior years. If during the year it is evident that the taxable income or taxable capital for the current year will be substantially less than for the previous taxation year, your instalments may be recalculated. Please call your KPMG advisor in order that we may determine what course of action should be taken.

In order to avoid interest charges, the tax authorities must receive the instalment payments no later than the date indicated on the attached schedule.

T2 – T183 – INFORMATION RETURN FOR CORPORATIONS FILING ELECTRONICALLY (FEDERAL-EXEMPT)

In order for us to electronically file the Company's corporate exempt income tax return, a signed copy of Form T183CORP – *Information Return for Corporations Filing Electronically* must be returned to us. Please note that we will not electronically file the Company's corporate income tax return until we receive the signed Form T183 Corp.

The Form T183CORP – *Information Return for Corporations Filing Electronically* includes information from your Company's income tax return and all applicable schedules.

Signature

✍ Form T183CORP – *Information Return for Corporations Filing Electronically* should be completed and signed

No amount is payable for the **2025** taxation year.

Mailing

🖂 One copy of the signed Form T183 Corp should be returned to KPMG by fax at (613) 549-6349, as soon as possible, no later than June 30, 2026, in order to have the Company's Return filed on or before the due date for filing. **We will not electronically file the Return until we receive a copy of the signed T183CORP**. The Form T183CORP must **not** be sent to the CRA.

T2 – *CORPORATION INCOME TAX RETURN* - MINISTRY OF FINANCE

Signature

✍ Form T2, the certification section on page 9 should be completed and signed.

Enclosure

A cheque in the amount of **$218,869** made payable to the Minister of Finance should be attached to the return for the **2025** taxation year. You should write the company's tax account number on the back of the cheque and the taxation year for which the payment is made. Alternatively, you may make the payment at any branch of a chartered bank.

Mailing

✉ One copy of the Return and one copy of the Company's financial statements must be **<u>received</u>** by The Ministry of Finance, HYDRO PIL DIVISION, PO Box 620, 33 King Street West, Oshawa, ON, L1H 8E9 no later than **June 30, 2026.** For greater certainty, KPMG will not be mailing this Return.

NOTICES OF ASSESSMENT

If the Company receives a Notice of Assessment which does not agree with a return as prepared by us, please contact us so that we can determine whether any action should be taken. The Company has only a limited number of days from the date of mailing of the Assessment in which to object. Failure to respond within the prescribed time limit will cause the Company to lose its right to object to the Assessment.

If you have any questions concerning these Returns, or if we may be of any further assistance, please feel free to contact the undersigned.

Yours truly,

KPMG LLP

Michael Gaylord, CPA, CA
Partner, Tax
KPMG LLP

Enclosures

Lakefront Utilities Inc.

Corporate Tax Return - Key Tax Attributes Summary

2025 Taxation Year

The following is a summary of a few select Key Tax Attributes for the income tax returns of Lakefront Utilities Inc. for the period ended December 31, 2025.

Description	Current year 2025	Prior year 2024
Net income for accounting purposes (Sch 140, line 9999)	$1,290,379	$493,421
Net income for tax purposes (T2, line 300)	$2,415,720	$-1,334,725
Federal and Provincial Taxes		
Part I (T2, line 700)	$123,888	$NIL
Ontario taxes (T2, line 760)	$94,981	$NIL
Carryforward Closing Balances		
Non-capital losses (Sch 4, line 180)	$NIL	$1,579,801
Undepreciated Capital Cost (Sch 8, line 220)	$22,939,118	$22,285,616
General Rate Income Pool (Sch 53, line 590)	$6,674,530	$6,079,868
Charitable Donations (Sch 2, line 280)	$NIL	$10,000

Pursuing any potential opportunities that may be identified through a review of the Key Tax Attributes Summary is outside the scope of any existing engagement letter with KPMG. Should you wish to pursue any potential opportunities we would be pleased to meet with you to discuss your needs and then provide you with a new tax advisory engagement letter detailing the scope of services and fees agreed upon in further pursuing such potential opportunities. KPMG will take no further action with respect to any potential opportunities, except as specifically engaged to do so by you pursuant to a tax advisory engagement letter.

All of the amounts included on this schedule are based on what the Company has reported in its current income tax return. Before any planning is undertaken certain amounts will need to be confirmed with the relevant tax authorities.

Federal Tax Instalments

Federal tax instalments

For the taxation year ended 2026-12-31

Business number 86512 5231 RC0001

The following is a list of instalments payable for the current taxation year, and the last column indicates the instalments payable to the Canada Revenue Agency (CRA). The instalments must be paid on each of the dates indicated below, otherwise non-deductible interest might be charged.

You can pay using one of the methods listed at **canada.ca/payments**. However, when a remittance must mandatorily be made using electronic means, use one of the following electronic payment methods:

- a Canadian financial institution's services;
- the CRA's *My Payment* service, at **canada.ca/cra-my-payment**;
- a pre-authorized debit agreement set up in the CRA's *My Business Account* service, at **canada.ca/my-cra-business-account**;
- a wire transfer.

Monthly instalment workchart

Date	Monthly tax instalments	Refund transferred to instalments	Instalments paid	Cumulative difference	Instalments payable
2026-01-31	18,240				18,240
2026-02-28	18,240				18,240
2026-03-31	18,240				18,240
2026-04-30	18,240				18,240
2026-05-31	18,240				18,240
2026-06-30	18,240				18,240
2026-07-31	18,240				18,240
2026-08-31	18,240				18,240
2026-09-30	18,240				18,240
2026-10-31	18,240				18,240
2026-11-30	18,240				18,240
2026-12-31	18,229				18,229
Totals	218,869				218,869

Canada Revenue Agency / Agence du revenu du Canada

T2 Corporation Income Tax Return

200

055 Do not use this area

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

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

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

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

Identification

Business number (BN) 001 86512 5231 RC0001

Corporation's name
002 Lakefront Utilities 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.
011 207 Division Street
012
City: 015 Cobourg — Province, territory, or state: 016 ON
Country (other than Canada): 017 — Postal or ZIP code: 018 K9A 4L3

Mailing address (if different from head office address)
Has this address changed since the last time the CRA was notified? . . . . 020 Yes [ ] No [X]
If **yes**, complete lines 021 to 028.
021 c/o
022 207 Division Street
023
City: 025 Cobourg — Province, territory, or state: 026 ON
Country (other than Canada): 027 — Postal or ZIP code: 028 K9A 4L3

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
032
City: 035 — Province, territory, or state: 036
Country (other than Canada): 037 — Postal or ZIP code: 038

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

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

To which tax year does this return apply?
Tax year start: 060 Year Month Day 2025-01-01 — Tax year-end: 061 Year Month Day 2025-12-31

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

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

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

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

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

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

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

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

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

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

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

Do not use this area
095 096 898

Attachments

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

		Yes	Schedule
Is the corporation related to any other corporations?	150	X	9
Is the corporation an associated CCPC?	160	X	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	161		49
Does the corporation have any non-resident shareholders who own voting shares?	151		19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
If you answered **yes** to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
Is the corporation claiming a loss or deduction from a tax shelter?	166		T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	167		T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust (without reference to section 94)?	168		22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	169		25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the Income Tax Regulations?	170		29
Did the corporation have a total amount over CAN$1 million of reportable transactions with non-arm's length non-residents?	171		T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172		———
Does the corporation earn income from one or more Internet web pages or websites?	180		88
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
Has the corporation made any charitable donations; gifts of cultural or ecological property; or gifts of medicine?	202	X	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203		3
Is the corporation claiming any type of losses?	204	X	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205		5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	206		6
i) Is the corporation a CCPC and reporting a) income or loss from property (other than dividends deductible on line 320 of the T2 return), b) income from a partnership, c) income from a foreign business, d) income from a personal services business, e) income referred to in clause 125(1)(a)(i)(C) or 125(1)(a)(i)(B), f) aggregate investment income as defined in subsection 129(4), or g) an amount assigned to it under subsection 125(3.2) or 125(8); or ii) Is the corporation a member of a partnership and assigning its specified partnership business limit to a designated member under subsection 125(8)?	207		7
Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
Does the corporation have any resource-related deductions?	212		12
Is the corporation claiming deductible reserves?	213		13
Is the corporation claiming a patronage dividend deduction?	216		16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or a provincial credit union tax reduction?	217		17
Is the corporation an investment corporation or a mutual fund corporation?	218		18
Is the corporation carrying on business in Canada as a non-resident corporation?	220		20
Is the corporation claiming any federal, provincial, or territorial foreign tax credits, or any federal logging tax credits?	221		21
Does the corporation have any Canadian manufacturing and processing profits 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	X	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over $10,000,000?	234	X	———
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
Is the corporation claiming a Part I tax credit?	242		42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250		39
Is the corporation claiming a Canadian film or video production tax credit?	253		T1131
Is the corporation claiming a film or video production services tax credit?	254		T1177
Is the corporation claiming a Canadian journalism labour tax credit?	272		58
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	255		92

Attachments (continued)

		Yes	Schedule
Did the corporation have any foreign affiliates in the tax year?	271		T1134
If the corporation is a resident of Canada, did the corporation own or hold specified foreign property where the total cost amount of all such property, at any time in the year, was more than CAN$100,000?	259		T1135
Did the corporation transfer or loan property to a non-resident trust?	260		T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261		T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262		T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263		T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264		T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	265		55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	266		T2002
Has the corporation revoked any previous election made under subsection 89(11)?	267		T2002
Did the corporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its general rate income pool (GRIP) change in the tax year?	268	X	53
Did the corporation (other than a CCPC or DIC) pay eligible dividends, or did its low rate income pool (LRIP) change in the tax year?	269		54
Is the corporation claiming a return of fuel charge proceeds to farmers tax credit?	273		63
Are you an employer reporting a non-qualified security agreement under subsection 110(1.9)?	274		59
Is the corporation subject to the additional 1.5% tax on banks and life insurers?	276		68
Is the corporation a covered entity that redeemed, acquired or cancelled equity of the corporation in the tax year?	277		56
Is the corporation subject to the excessive interest and financing expenses limitation (EIFEL) rules contained primarily in sections 18.2 and 18.21, or is it a party to any election under the EIFEL rules?	278		130

Additional information

		Yes	No
Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270		X
Is the corporation inactive?	280		X
Did the corporation meet the definition of substantive CCPC under subsection 248(1) at any time during the tax year?	290		X

What is the corporation's main revenue-generating business activity? 221121 Electric Bulk Power Transmission and Control

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	Distribution of Electricity	285	100.000 %
286		287	%
288		289	%

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

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

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

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI	300		2,415,720	A
Deduct:				
Charitable donations from Schedule 2	311	10,000		
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	1,579,801		
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			
Restricted interest and financing expenses from Schedule 4	336			
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		1,589,801 ▶	1,589,801	B
Subtotal (amount A **minus** amount B) (if negative, enter "0")			825,919	C
Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355			D
Taxable income (amount C **plus** amount D)	360		825,919	

* This amount is equal to 3.5 times the Part VI.1 tax payable at line 724 on page 9.

Small business deduction

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

Income eligible for the small business deduction from Schedule 7	400	2,415,720	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	825,919	B
Business limit (see notes 1 and 2 below)	410		C

Notes:

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

Business limit reduction

Taxable capital business limit reduction

Amount C ______ x 415 *** 73,149 D / 90,000 = ______ E

Passive income business limit reduction

Adjusted aggregate investment income from Schedule 7**** 417 1,040,294 – 50,000 = 990,294 F

Amount C ______ x Amount F 990,294 / 100,000 = ______ G

The greater of amount E and amount G 422 ______ H

Reduced business limit (amount C **minus** amount H) (if negative, enter "0")	426		I
Business limit the CCPC assigns under subsection 125(3.2) (from line 515 below)			J
Reduced business limit after assignment (amount I **minus** amount J)	428		K
Small business deduction – Amount A, B, C, or K, whichever is the least ______ x 19 % =	430		

Enter amount from line 430 at amount L 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. This amount is reported at line 745 of the corresponding Schedule 7. Each corporation with such income has to file a Schedule 7.

Small business deduction (continued)

Specified corporate income and assignment under subsection 125(3.2)

	L1 Name of corporation receiving the income and assigned amount	L Business number of the corporation receiving the assigned amount 490	M Income paid under clause 125(1)(a)(i)(B) to the corporation identified in column L [3] 500	N Business limit assigned to corporation identified in column L [4] 505
1.				
			Total 510	Total 515

Notes:

3. This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts each of which is income (other than specified farming or fishing income of the corporation for the year) from an active business of the corporation for the year from the provision of services or property to a private corporation (directly or indirectly, in any manner whatever) if
   (A) at any time in the year, the corporation (or one of its shareholders) or a person who does not deal at arm's length with the corporation (or one of its shareholders) holds a direct or indirect interest in the private corporation, and
   (B) it is not the case that all or substantially all of the corporation's income for the year from an active business is from the provision of services or property to
   (I) persons (other than the private corporation) with which the corporation deals at arm's length, or
   (II) partnerships with which the corporation deals at arm's length, other than a partnership in which a person that does not deal at arm's length with the corporation holds a direct or indirect interest.
4. The amount of the business limit you assign to a CCPC cannot be greater than the amount determined by the formula A – B, where A is the amount of income referred to in column M in respect of that CCPC and B is the portion of the amount described in A that is deductible by you in respect of the amount of income referred to in clauses 125(1)(a)(i)(A) or (B) for the year. The amount on line 515 cannot be greater than the amount on line 426.

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the tax year or substantive CCPCs at any time in the tax year

Taxable income from line 360 on page 3		825,919	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")		825,919	H
General tax reduction for Canadian-controlled private corporations – Amount H **multiplied** by 13 %		107,369	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 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		825,919	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)		825,919	K	x 30 2/3 % = 253,282	L
Part I tax payable minus investment tax credit refund (line 700 **minus** line 780 from page 9)				123,888	M
Refundable portion of Part I tax – Amount E, L, or M, whichever is the least **450**					N

* 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	313,849	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
Total labour requirements addition to tax			580		D
Recapture of investment tax credit from Schedule 31			602		E

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				F
Taxable income from line 360 on page 3	825,919	G		
Deduct: Amount from line 400, 405, 410, or 428 on page 4, whichever is the least*		H		
Net amount (amount G **minus** amount H)	825,919	▶	825,919	I

Refundable tax on CCPC's or substantive CCPC's investment income – 10 2 / 3 % of whichever is less: amount F or amount I	604		J
Subtotal (**add** amounts A to E and J)		313,849	K

Deduct:

Small business deduction from line 430 on page 4			L		
Federal tax abatement	608	82,592			
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	107,369			
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		189,961	▶	189,961	M

Part I tax payable – Amount K **minus** amount M	123,888	N

Enter amount N on line 700 on page 9.

* This is not applicable to substantive CCPCs.

Privacy notice

Personal information (including the SIN) is collected and used 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 disclosed to other federal, provincial, territorial, aboriginal 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, and 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 N on page 8	700	123,888
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 XII.7 tax payable from Schedule 78	726	
Part XIII.1 tax payable from Schedule 92	727	
Part XIV tax payable from Schedule 20	728	
Total federal tax		123,888

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	94,981
Total tax payable	770	218,869 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	
Tax withheld at source	800	
Total payments on which tax has been withheld	801	
Provincial and territorial capital gains refund from Schedule 18	808	
Provincial and territorial refundable tax credits from Schedule 5	812	
Tax instalments paid	840	
Total credits	890	B

Balance (amount A **minus** amount B) 218,869

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 ☐ Refund ____ Balance owing 218,869

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 A8025
RepID 925

Certification

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

955 ____ Date (yyyy/mm/dd) ____ Signature of the authorized signing officer of the corporation 956 (905) 372-2193 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

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SCHEDULE 100

Form identifier 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Corporation's name	Business number	Tax year end Year Month Day
Lakefront Utilities Inc.	86512 5231 RC0001	2025-12-31

Balance sheet information

Account	Description	GIFI		Current year	Prior year
	Assets				
	Total current assets	1599	+	13,112,586	11,554,483
	Total tangible capital assets	2008	+	40,706,219	37,941,649
	Total accumulated amortization of tangible capital assets	2009	–	12,466,405	11,205,402
	Total intangible capital assets	2178	+		
	Total accumulated amortization of intangible capital assets	2179	–		
	Total long-term assets	2589	+		
	* Assets held in trust	2590	+		
	Total assets (mandatory field)	2599	=	41,352,400	38,290,730
	Liabilities				
	Total current liabilities	3139	+	9,804,155	8,912,413
	Total long-term liabilities	3450	+	17,748,886	17,219,400
	* Subordinated debt	3460	+		
	* Amounts held in trust	3470	+		
	Total liabilities (mandatory field)	3499	=	27,553,041	26,131,813
	Shareholder equity				
	Total shareholder equity (mandatory field)	3620	+	13,799,359	12,158,917
	Total liabilities and shareholder equity	3640	=	41,352,400	38,290,730
	Retained earnings				
	Retained earnings/deficit – end (mandatory field)	3849	=	8,652,205	7,011,763

* Generic item

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SCHEDULE 125

Form identifier 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Corporation's name	Business number	Tax year-end Year Month Day
Lakefront Utilities Inc.	86512 5231 RC0001	2025-12-31

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	+	5,968,230	5,339,224
	Cost of sales	8518	–		
	Gross profit/loss	8519	=	5,968,230	5,339,224
	Cost of sales	8518	+		
	Total operating expenses	9367	+	7,313,869	6,939,415
	Total expenses (mandatory field)	9368	=	7,313,869	6,939,415
	Total revenue (mandatory field)	8299	+	6,652,511	6,119,817
	Total expenses (mandatory field)	9368	–	7,313,869	6,939,415
	Net non-farming income	9369	=	-661,358	-819,598
	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	=	-661,358	-819,598
	Total – other comprehensive income	9998	=		
	Extraordinary items and income (linked to Schedule 140)				
	Extraordinary item(s)	9975	–		
	Legal settlements	9976	–		
	Unrealized gains/losses	9980	+		
	Unusual items	9985	–	-1,722,250	-1,065,299
	Current income taxes	9990	–		
	Future (deferred) income tax provision	9995	–	-229,487	-247,720
	Total – Other comprehensive income	9998	+		
	Net income/loss after taxes and extraordinary items (mandatory field)	9999	=	1,290,379	493,421

Canada Revenue Agency / Agence du revenu du Canada

Schedule 141

General Index of Financial Information (GIFI) – Additional Information

Corporation's name	Business number	Tax year-end Year Month Day
Lakefront Utilities Inc.	86512 5231 RC0001	2025-12-31

- 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 [X] No [ ]

If you answered **no**, go to Part 2.

Does that person have a professional designation in accounting? . . . 095 Yes [X] No [ ]

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

* 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 [X]
- Completed a review engagement report . . . 301 [ ]
- Conducted a compilation engagement . . . 302 [ ]
- Provided accounting services . . . 303 [ ]
- Provided bookkeeping services . . . 304 [ ]
- Other (please specify) . . . 305 Preparation of T2

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 [X]

Part 4 – Other information

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

Did the corporation have any subsequent events? . . . 104 Yes [ ] No [X]

Did the corporation re-evaluate its assets during the tax year? . . . 105 Yes [ ] No [X]

Did the corporation have any contingent liabilities during the tax year? . . . 106 Yes [ ] No [X]

Did the corporation have any commitments during the tax year? . . . 107 Yes [X] No [ ]

Does the corporation have investments in joint venture(s) or partnership(s)? . . . 108 Yes [ ] No [X]

Part 4 – Other information (continued)

Impairment and fair value changes

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

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

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

Financial instruments

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

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

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

Adjustments to opening equity

Was an amount included in the opening balance of retained earnings or equity, in order to correct an error, to recognize a change in accounting policy, or to adopt a new accounting standard in the current tax year? . . . . 265 Yes [X] 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 [X]

The client provided a trial balance . . . . 312 [X]

The client provided a general ledger . . . . 313 [ ]

Other (please specify) 314

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Net Income (Loss) for Income Tax Purposes

Schedule 1

Corporation's name	Business number	Tax year-end Year Month Day
Lakefront Utilities Inc.	86512 5231 RC0001	2025-12-31

- 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 Guide T4012, T2 Corporation – Income Tax Guide.
- All legislative references are to the Income Tax Act.
- If you need more space, attach additional schedules.

Net income (loss) after taxes and extraordinary items from line 9999 of Schedule 125			1,290,379	A1
Net income (loss) after extraordinary items from line 110 of Schedule 150			0	A2
Total			1,290,379	A

Add:

Provision for income taxes – deferred	102	-229,487		
Amortization of tangible assets	104	1,409,005		
Non-deductible meals and entertainment expenses	121	5,906		
Reserves from financial statements – balance at the end of the year	126	1,433,214		
Subtotal of additions		2,618,638	2,618,638	

Add:

Other additions:

	1 Description 605	2 Amount 295
1	Regulatory Movement through P&L	1,803,658
2	Loss on swap	0
3	Additional Amortization	60,510
4	Tax on net regulatory movement	533,325
5	12(1)(x) Capital Contributions	649,760
	Total of column 2	3,047,253

Total of column 2	296	3,047,253		
Subtotal of other additions	199	3,047,253	3,047,253	D
Total additions	500	5,665,891	5,665,891	
Amount A **plus** line 500			6,956,270	B

Deduct:

Gain on disposal of assets per financial statements	401	6,681	
Capital cost allowance from Schedule 8	403	2,104,386	
Reserves from financial statements – balance at the beginning of the year	414	448,267	
Subtotal of deductions		2,559,334	2,559,334

Deduct:

Other deductions:

	1 Description 705	2 Amount 395
1	Contribution in aid of construction included in S8	208,513
2	Gain on Swap	15,188
3	Provisions (opening bal. in restated FS)	864,730
4	13(7.4) election	649,760
5	Change in Deferred Tax in Regulatory	243,025
	Total of column 2	1,981,216

Total of column 2 ▶ 396 1,981,216

Subtotal of other deductions	499	1,981,216 ▶	1,981,216	E
Total deductions	510	4,540,550 ▶	4,540,550	
Net income (loss) for income tax purposes (amount B **minus** line 510)			2,415,720	C

Enter amount C on line 300 of the T2 return.

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Schedule 2

Charitable Donations and Gifts

Corporation's name	Business number	Tax year-end Year Month Day
Lakefront Utilities Inc.	86512 5231 RC0001	2025-12-31

- 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)
Subtotal	
Add: Total donations of less than $100 each	
Total donations in current tax year	

Part 1 – Charitable donations

	Line	Federal		Québec	Alberta
Charitable donations at the end of the previous tax year		10,000	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	10,000			
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				
Subtotal (line 250 **plus** line 210)			1B		
Subtotal (line 240 **plus** amount 1B)		10,000	1C		
Adjustment for an acquisition of control	255				
Total charitable donations available (amount 1C **minus** line 255)		10,000	1D		
Amount applied in the current year against taxable income (cannot be more than amount 2H in Part 2) (enter this amount on line 311 of the T2 return)	260	10,000		10,000	10,000
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).

	Line	Federal	
The amount of qualifying donations for the Nova Scotia food bank tax credit for farmers included in the amount on line 260 (for donations made after December 31, 2015)	263		
Nova Scotia food bank tax credit for farmers (amount on line 263 **multiplied** by 25 %)			2

Enter amount 2 on line 570 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the Nova Scotia income tax otherwise payable or amount 2. For more information, see section 50A of the Nova Scotia Income Tax Act.

	Line	Federal	
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
1st prior year	2024-12-31			
2nd prior year	2023-12-31	10,000		
3rd prior year	2022-12-31			
4th prior year	2021-12-31			
5th prior year	2020-12-31			
6th prior year*	2019-12-31			
7th prior year	2018-12-31			
8th prior year	2017-12-31			
9th prior year	2016-12-31			
10th prior year	2015-12-31			
11th prior year	2014-12-31			
12th prior year	2013-12-31			
13th prior year	2012-12-31			
14th prior year	2011-12-31			
15th prior year	2010-12-31			
16th prior year	2009-12-31			
17th prior year	2008-12-31			
18th prior year	2007-12-31			
19th prior year	2006-12-31			
20th prior year	2005-12-31			
21st prior year*	2004-12-31			
Total (to line A)		10,000		

* 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 % 1,811,790 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) 1,811,790 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) 10,000 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

	Line	Federal	Québec	Alberta
Gifts of certified cultural property at the end of the previous tax year		3A		
Gifts of certified cultural property expired after five tax years*	439			
Gifts of certified cultural property at the beginning of the current tax year (amount 3A **minus** line 439)	440			
Gifts of certified cultural property transferred on an amalgamation or the wind-up of a subsidiary	450			
Total gifts of certified cultural property in the current year (include this amount on line 112 of Schedule 1)	410			
Subtotal (line 450 **plus** line 410)		3B		
Subtotal (line 440 **plus** amount 3B)		3C		
Adjustment for an acquisition of control	455			
Amount applied in the current year against taxable income (enter this amount on line 313 of the T2 return)	460			
Subtotal (line 455 **plus** line 460)		3D		
Gifts of certified cultural property closing balance (amount 3C **minus** amount 3D)	480			

* For federal and Alberta tax purposes, donations and gifts expire after five tax years. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, expire after five tax years; otherwise, donations and gifts expire after twenty tax years.

Amount carried forward – Gifts of certified cultural property

Year of origin:		Federal	Québec	Alberta
1st prior year	2024-12-31			
2nd prior year	2023-12-31			
3rd prior year	2022-12-31			
4th prior year	2021-12-31			
5th prior year	2020-12-31			
6th prior year*	2019-12-31			
7th prior year	2018-12-31			
8th prior year	2017-12-31			
9th prior year	2016-12-31			
10th prior year	2015-12-31			
11th prior year	2014-12-31			
12th prior year	2013-12-31			
13th prior year	2012-12-31			
14th prior year	2011-12-31			
15th prior year	2010-12-31			
16th prior year	2009-12-31			
17th prior year	2008-12-31			
18th prior year	2007-12-31			
19th prior year	2006-12-31			
20th prior year	2005-12-31			
21st prior year*	2004-12-31			
Total				

* For federal and Alberta tax purposes, donations and gifts included on line *6th prior year* expire automatically in the current tax year. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, that are included on line *6th prior year* and donations and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Part 4 – Gifts of certified ecologically sensitive land

		Federal	Québec	Alberta
Gifts of certified ecologically sensitive land at the end of the previous tax year		4A		
Gifts of certified ecologically sensitive land expired after 5 tax years, or after 10 tax years for gifts made after February 10, 2014*	539			
Gifts of certified ecologically sensitive land at the beginning of the current tax year (amount 4A **minus** line 539)	540			
Gifts of certified ecologically sensitive land transferred on an amalgamation or the wind-up of a subsidiary	550			
Total current-year gifts of certified ecologically sensitive land (include this amount on line 112 of Schedule 1)	520			
Subtotal (line 550 **plus** line 520)		4B		
Subtotal (line 540 **plus** amount 4B)		4C		
Adjustment for an acquisition of control	555			
Amount applied in the current year against taxable income (enter this amount on line 314 of the T2 return)	560			
Subtotal (line 555 **plus** line 560)		4D		
Gifts of certified ecologically sensitive land closing balance (amount 4C **minus** amount 4D)	580			

* For federal and Alberta tax purposes, donations and gifts made before February 11, 2014, expire after five tax years and gifts made after February 10, 2014, expire after ten tax years. For Québec tax purposes, donations and gifts made during a tax year that ended before March 24, 2006, expire after five tax years; otherwise, donation and gifts expire after twenty tax years.

Amounts carried forward – Gifts of certified ecologically sensitive land

Amount of carried forward gifts made on or after February 11, 2014, in the tax year including this date

Year of origin:		Federal	Québec	Alberta
1st prior year	2024-12-31			
2nd prior year	2023-12-31			
3rd prior year	2022-12-31			
4th prior year	2021-12-31			
5th prior year	2020-12-31			
6th prior year*	2019-12-31			
7th prior year	2018-12-31			
8th prior year	2017-12-31			
9th prior year	2016-12-31			
10th prior year	2015-12-31			
11th prior year*	2014-12-31			
12th prior year	2013-12-31			
13th prior year	2012-12-31			
14th prior year	2011-12-31			
15th prior year	2010-12-31			
16th prior year	2009-12-31			
17th prior year	2008-12-31			
18th prior year	2007-12-31			
19th prior year	2006-12-31			
20th prior year	2005-12-31			
21st prior year*	2004-12-31			
Total				

* For federal and Alberta tax purposes, donations and gifts made before February 11, 2014, that are included on line *6th prior year* and gifts that are included on line *11th prior year* expire automatically in the current year.

The field "Amount of carried forward gifts made on or after February 11, 2014, in the tax year including this date" is used to distinguish the portion of the gifts made in the tax year straddling February 11, 2014, that expires after ten tax years, from the portion that expires in the current tax year.

For Québec tax purposes, donations and gifts made during a tax year that ended before March 24, 2006, that are included on line *6th prior year* and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Part 5 – Additional deduction for gifts of medicine

		Federal		Québec	Alberta
Additional deduction for gifts of medicine at the end of the previous tax year			5A		
Additional deduction for gifts of medicine expired after five tax years*	**639**				
Additional deduction for gifts of medicine at the beginning of the current tax year (amount 5A **minus** line 639)	**640**				
Additional deduction for gifts of medicine made before March 22, 2017 transferred on an amalgamation or the wind-up of a subsidiary	**650**				
Additional deduction for gifts of medicine made before March 22, 2017:					
Proceeds of disposition	**602**				
Cost of gifts of medicine made before March 22, 2017	**601**				
Subtotal (line 602 **minus** line 601)			5B		
Amount 5B **multiplied** by 50 %			5C		
Eligible amount of gifts	**600**				

Federal

a ______ x (b ______ / c) = Additional deduction for gifts of medicine made before March 22, 2017 . . . . **610** ______

Québec

a ______ x (b ______ / c) = Additional deduction for gifts of medicine made before March 22, 2017 . . . . ______

Alberta

a ______ x (b ______ / c) = Additional deduction for gifts of medicine made before March 22, 2017 . . . . ______

where:
a is the **lesser** of line 601 and amount 5C
b is the eligible amount of gifts (line 600)
c is the proceeds of disposition (line 602)

		Federal		Québec	Alberta
Subtotal (line 650 **plus** line 610)			5D		
Subtotal (line 640 **plus** amount 5D)			5E		
Adjustment for an acquisition of control	**655**				
Amount applied in the current year against taxable income (enter this amount on line 315 of the T2 return)	**660**				
Subtotal (line 655 **plus** line 660)			5F		
Additional deduction for gifts of medicine closing balance (amount 5E **minus** amount 5F) **(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
1st prior year	2024-12-31			
2nd prior year	2023-12-31			
3rd prior year	2022-12-31			
4th prior year	2021-12-31			
5th prior year	2020-12-31			
6th prior year*	2019-12-31			
7th prior year	2018-12-31			
8th prior year	2017-12-31			
9th prior year	2016-12-31			
10th prior year	2015-12-31			
11th prior year	2014-12-31			
12th prior year	2013-12-31			
13th prior year	2012-12-31			
14th prior year	2011-12-31			
15th prior year	2010-12-31			
16th prior year	2009-12-31			
17th prior year	2008-12-31			
18th prior year	2007-12-31			
19th prior year	2006-12-31			
20th prior year	2005-12-31			
21st prior year*	2004-12-31			
Total				

* For federal and Alberta tax purposes, donations and gifts included on line *6th prior year* expire automatically in the current tax year. For Québec tax purposes, donations and gifts made in a tax year that ended before March 19, 2007, that are included on line *6th prior year* and donations and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Québec – Gifts of musical instruments

Gifts of musical instruments at the end of the previous tax year		A
Deduct: Gifts of musical instruments expired after twenty tax years		B
Gifts of musical instruments at the beginning of the tax year		C
Add:		
Gifts of musical instruments transferred on an amalgamation or the wind-up of a subsidiary		D
Total current-year gifts of musical instruments		E
Subtotal (line D **plus** line E)		F
Deduct: Adjustment for an acquisition of control		G
Total gifts of musical instruments available		H
Deduct: Amount applied against taxable income (enter this amount on line 255 of form CO-17)		I
Gifts of musical instruments closing balance		J

Amounts carried forward – Gifts of musical instruments

Year of origin:		Québec
1st prior year	2024-12-31	
2nd prior year	2023-12-31	
3rd prior year	2022-12-31	
4th prior year	2021-12-31	
5th prior year	2020-12-31	
6th prior year	2019-12-31	
7th prior year	2018-12-31	
8th prior year	2017-12-31	
9th prior year	2016-12-31	
10th prior year	2015-12-31	
11th prior year	2014-12-31	
12th prior year	2013-12-31	
13th prior year	2012-12-31	
14th prior year	2011-12-31	
15th prior year	2010-12-31	
16th prior year	2009-12-31	
17th prior year	2008-12-31	
18th prior year	2007-12-31	
19th prior year	2006-12-31	
20th prior year	2005-12-31	
21st prior year*	2004-12-31	
Total		

* These gifts expired in the current year.

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Schedule 4

Corporation Loss Continuity and Application

Corporation's name	Business number	Tax year-end Year Month Day
Lakefront Utilities Inc.	86512 5231 RC0001	2025-12-31

- 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, limited partnership loss, or restricted interest and financing expense; to determine the amount of restricted farm losses, limited partnership losses, and restricted interest and financing expenses (RIFE) 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.
- All legislative references are to the federal Income Tax Act.
- According to subsection 111(4), when control has been acquired, no amount of capital loss incurred in a tax year ending before that time is deductible when calculating taxable income for a tax year ending after that time. Also, no amount of capital loss incurred in a tax year ending after that time is deductible when calculating taxable income for 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), and of RIFE except as listed in paragraph 111(5)(a).
- For information on these losses, see Guide T4012, T2 Corporation – Income Tax.
- File this schedule with the T2 Corporation Income Tax Return, or send the schedule by itself to the tax centre where the return is filed.

Part 1 – Non-capital losses

Determination of current-year non-capital loss

Net income (loss) for income tax purposes			2,415,720 1A
RIFE deducted in the year under paragraph 111(1)(a.1) (enter as a positive amount)		1B	
Net capital losses deducted in the year (enter as a positive amount)		1C	
Taxable dividends deductible under section 112 or subsections 113(1) or 138(6)		1D	
Amount of Part VI.1 tax deductible under paragraph 110(1)(k)		1E	
Amount deductible as prospector's and grubstaker's shares – Paragraph 110(1)(d.2)		1F	
Employer deduction for non-qualified securities – Paragraph 110(1)(e)		1G	
Subtotal (total of amounts 1B to 1G)		▶	1H
Subtotal (amount 1A **minus** amount 1H; if positive, enter "0")			1I
Section 110.5 or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions			1J
Subtotal (amount 1I **minus** amount 1J)			1K
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)			1L
Current-year non-capital loss (amount 1K **plus** amount 1L, if positive enter "0")			1M

If amount 1M is negative, enter it on line 110 as a positive amount.

Continuity of non-capital losses and request for a carryback

Non-capital losses at the end of the previous tax year		1,579,801 1N	
Non-capital loss expired [1]	100		
Non-capital losses at the beginning of the tax year (amount 1N **minus** line 100)	102	1,579,801 ▶	1,579,801
Non-capital losses transferred on an amalgamation or on the wind-up of a subsidiary [2] corporation	105		
Current-year non-capital loss (from amount 1M)	110		
Subtotal (line 105 **plus** line 110)		▶	1O
Subtotal (line 102 **plus** amount 1O)			1,579,801 1P

[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**.

[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 Enter the amount from line 130 on line 331 of the T2 return.	130	1,579,801		
Current and previous years non-capital losses applied against current-year taxable dividends subject to Part IV tax [3]	135			
Subtotal (total of lines 150, 140, 130 and 135)		1,579,801	1,579,801	1Q
Non-capital losses before any request for a carryback (amount 1P **minus** amount 1Q)				1R

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)				1S
Closing balance of non-capital losses to be carried forward to future tax years (amount 1R **minus** amount 1S)	180			

[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 [4]			2D	
Allowable business investment losses (ABILs) that expired as non-capital losses at the end of the previous tax year [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.

[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**.

[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 [6] . . . **225** ____

Capital losses before any request for a carryback (amount 2F **minus** line 225) ____ 2G

Request to carry back capital loss to: [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) [8] **280** ____

[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.

[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.

[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 [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 1L 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 the amount from 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 [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** ____

[9] A farm loss expires after **20 tax years**.

[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 [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) Enter the amount from line 410 on line 233 of Schedule 1, Net Income (Loss) for Income Tax Purposes.	**410**			
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 Enter the amount from line 430 on line 333 of the T2 return.	**430**			
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.

[11] A restricted farm loss expires after **20 tax years**.

Part 5 – Listed personal property losses

Continuity of listed personal property losses and request for a carryback

Listed personal property losses at the end of the previous tax year				5A
Listed personal property loss expired[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 the amount from 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	

[12] A listed personal property loss expires after **seven 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, clean economy tax credit, farming losses, and resource expenses[15]	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, clean economy tax credit, business or property losses, and resource expenses [15]	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)

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

[15] Clean economy tax credit is defined in subsection 127.47(1).

Part 8 – Restricted interest and financing expenses (RIFE)

Continuity of RIFE

RIFE at the end of the previous tax year	700				
RIFE transferred on an amalgamation or on the wind-up of a subsidiary corporation	705				
RIFE adjustments for an acquisition of control	750				
Subtotal (line 700 **plus** line 705 **minus** line 750)			►		8A

Enter amount 8A on line 128 in Part 2J of Schedule 130, Excessive Interest and Financing Expenses Limitation.

Current-year restricted interest and financing expense determined under subsection 111(8) (amount A from Part 2O of Schedule 130)	710	
RIFE deducted for the tax year [16]	730	

Enter the amount from line 730 on line 336 of the T2 return.

Closing balance of RIFE (amount 8A **plus** line 710 **minus** line 730)	780	

[16] The amount deducted **must** not exceed amount B in Part 2J of Schedule 130.

Part 9 – 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.

See the privacy notice on your return.

Non-Capital Loss Continuity Workchart

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

Non-capital losses

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce: Taxable income	Applied to reduce: Part IV tax	Balance at end of year
Current	N/A				N/A		
1st preceding taxation year 2024-12-31	1,321,696	N/A		N/A	1,321,696		
2nd preceding taxation year 2023-12-31	258,105	N/A		N/A	258,105		
3rd preceding taxation year 2022-12-31		N/A		N/A			
4th preceding taxation year 2021-12-31		N/A		N/A			
5th preceding taxation year 2020-12-31		N/A		N/A			
6th preceding taxation year 2019-12-31		N/A		N/A			
7th preceding taxation year 2018-12-31		N/A		N/A			
8th preceding taxation year 2017-12-31		N/A		N/A			
9th preceding taxation year 2016-12-31		N/A		N/A			
10th preceding taxation year 2015-12-31		N/A		N/A			
11th preceding taxation year 2014-12-31		N/A		N/A			
12th preceding taxation year 2013-12-31		N/A		N/A			
13th preceding taxation year 2012-12-31		N/A		N/A			
14th preceding taxation year 2011-12-31		N/A		N/A			
15th preceding taxation year 2010-12-31		N/A		N/A			
16th preceding taxation year 2009-12-31		N/A		N/A			
17th preceding taxation year 2008-12-31		N/A		N/A			
18th preceding taxation year 2007-12-31		N/A		N/A			
19th preceding taxation year 2006-12-31		N/A		N/A			
20th preceding taxation year 2005-12-31		N/A		N/A			*
Total	1,579,801				1,579,801		

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

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Schedule 8

Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
Lakefront Utilities Inc.	86512 5231 RC0001	2025-12-31

- Fill out this schedule to calculate the amount of capital cost allowance (CCA) the corporation is claiming for the tax year or to account for acquisitions or dispositions of depreciable property, or both.
- Unless otherwise stated, all legislative references are to the Income Tax Act.
- For more information, see the section called "Schedule 8, Capital Cost Allowance (CCA)" in Guide T4012, T2 Corporation – Income Tax.
- If you do not have enough space to list all the information, use an additional Schedule 8.
- Attach the original copy of this completed schedule to your T2 Corporation Income Tax Return.

Is the corporation electing under subsection 1101(5q) of the Income Tax Regulations? **101** Yes [ ] No [X]

	1 Class number 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) Note 2 203	4 Cost of acquisitions from column 3 that are accelerated investment incentive property (AIIP) or property acquired before 2025 that is included in Classes 54 to 56 Note 3 225	5 Cost of acquisitions from column 3 that are reaccelerated investment incentive property (RIIP) or property acquired after 2024 that is included in Classes 54 to 56 Note 4 226	6 Adjustments and transfers Note 5 205	7 Amount from column 6 that is assistance received or receivable during the year for a property, subsequent to its disposition Note 6 221	8 Amount from column 6 that is repaid during the year for a property, subsequent to its disposition Note 7 222
1.	1		701,375	7,286		7,286			
2.	1		4,526,270						
3.	6		2,292						
4.	8		58,334						
5.	8		72,214	31,681	167	31,514			
6.	10		32,624	484,028	43,691	440,337			
7.	10		9,307						
8.	14.1		65,709						
9.	45		1						
10.	47		15,782,734	2,194,333	626,927	1,567,406			
11.	47		1,028,344						
12.	50		6,412	26,971		26,971			
13.	12	Computer Software		20,270	1,494	18,776			
		Totals	22,285,616	2,764,569	672,279	2,092,290			

	1 Class number	Description	9 Proceeds of dispositions Note 8 207	10 UCC (column 2 **plus** column 3 **plus** or **minus** column 6 **minus** column 9) Note 9	11 Proceeds of dispositions available to reduce additions of AIIP, RIIP and property included in Classes 54 to 56 (column 7 **plus** column 9 **minus** column 3 **plus** column 4 **plus** column 5 **minus** column 8) (if negative, enter "0")	12 Net capital cost additions of AIIP and property acquired before 2025 that is included in Classes 54 to 56 (column 4 **minus** column 11) (if negative, enter "0")	13 Proceeds of dispositions from column 11 available to reduce additions of RIIP and ZEV acquired after 2024 that is included in Classes 54 to 56 (column 11 **minus** column 4) (if negative, enter "0")	14 Net capital cost additions of RIIP and property acquired after 2024 that is included in Classes 54 to 56 (column 5 **minus** column 13) (if negative, enter "0")	15 UCC adjustment for AIIP and property acquired before 2025 that is included in Classes 54 to 56 (column 12 **multiplied** by the relevant factor) Note 10
1.	1		0	708,661				7,286	
2.	1		0	4,526,270					
3.	6		0	2,292					
4.	8		0	58,334					
5.	8		0	103,895		167		31,514	
6.	10		6,681	509,971	6,681	37,010		440,337	
7.	10		0	9,307					
8.	14.1		0	65,709					
9.	45		0	1					
10.	47		0	17,977,067		626,927		1,567,406	
11.	47		0	1,028,344					
12.	50		0	33,383				26,971	
13.	12	Computer Software	0	20,270		1,494		18,776	
		Totals	6,681	25,043,504	6,681	665,598		2,092,290	

	1 Class number	Description	16 UCC adjustment for RIIP and property acquired after 2024 that is included in Classes 54 to 56 (column 14 **multiplied** by the relevant factor) Note 11	17 UCC adjustment for property acquired during the year other than AIIP, RIIP and property included in Classes 54 to 56 (0.5 **multiplied** by the result of column 3 **minus** column 4 **minus** column 5 **plus** column 8 **minus** column 7 **minus** column 9) (if negative, enter "0") Note 12 224	18 CCA rate % Note 13 212	19 Recapture of CCA Note 14 213	20 Terminal loss Note 15 215	21 CCA (for declining balance method, the result of column 10 **plus** column 15 **plus** column 16 **minus** column 17, **multiplied** by column 18 or a lower amount) Note 16 217	22 UCC at the end of the year (column 10 **minus** column 21) 220
1.	1		3,643		4	0	0	28,492	680,169
2.	1				4	0	0	181,051	4,345,219
3.	6				10	0	0	229	2,063

	1 Class number	Description	16 UCC adjustment for RIIP and property acquired after 2024 that is included in Classes 54 to 56 (column 14 **multiplied** by the relevant factor) **Note 11**	17 UCC adjustment for property acquired during the year other than AIIP, RIIP and property included in Classes 54 to 56 (0.5 **multiplied** by the result of column 3 **minus** column 4 **minus** column 5 **plus** column 8 **minus** column 7 **minus** column 9) (if negative, enter "0") **Note 12** 224	18 CCA rate % **Note 13** 212	19 Recapture of CCA **Note 14** 213	20 Terminal loss **Note 15** 215	21 CCA (for declining balance method, the result of column 10 **plus** column 15 **plus** column 16 **minus** column 17, **multiplied** by column 18 or a lower amount) **Note 16** 217	22 UCC at the end of the year (column 10 **minus** column 21) 220
4.	8				20	0	0	11,667	46,667
5.	8		15,757		20	0	0	23,930	79,965
6.	10		220,169		30	0	0	219,042	290,929
7.	10				30	0	0	2,792	6,515
8.	14.1				5	0	0	3,285	62,424
9.	45				45	0	0		1
10.	47		783,703		8	0	0	1,500,862	16,476,205
11.	47				8	0	0	82,268	946,076
12.	50		22,067		55	0	0	30,498	2,885
13.	12	Computer Software			100	0	0	20,270	
		Totals	1,045,339					2,104,386	22,939,118

Enter the total of column 19 on line 107 of Form T2 SCH 1, Net Income (Loss) for Income Tax Purposes.
Enter the total of column 20 on line 404 of Form T2 SCH 1.
Enter the total of column 21 on line 403 of Form T2 SCH 1.

Notes

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.

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 exclusions from the half-year rule. Do not include any amount in column 3 in respect of property included in column 6 (Note 5). See Guide T4012 for more information about the cost of acquisitions during the year.

Note 3: An AIIP is a property (other than property included in Classes 54 to 56) that you acquired after November 20, 2018 and before 2025, 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 2034.

Class 56 applies to eligible zero-emission automotive equipment and vehicles (other than motor vehicles) that you acquired after March 1, 2020, and that became available for use before 2034.

See Guide T4012 for more information.

Note 4: An RIIP is a property (other than property included in Classes 54 to 56) that you acquired after 2024, and that became available for use before 2034.

Classes 54 and 55 include zero-emission vehicles that you acquired after March 18, 2019, and that became available for use before 2034.

Class 56 applies to eligible zero-emission automotive equipment and vehicles (other than motor vehicles) that you acquired after March 1, 2020, and that became available for use before 2034.

See Guide T4012 for more information.

Note 5: Enter in column 6, "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 Guide T4012 for other examples of adjustments and transfers to include in column 6.

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)] 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 6: 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 7: 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) (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)] 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 8: 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 designated immediate expensing property) 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 9: If the amount in column 6 (as shown in brackets) reduces the UCC, you must subtract it for the purpose of the calculation. Otherwise, add the amount in column 6 for the purpose of the calculation.

Note 10: The adjustment from column 15 is added to the UCC in column 10 to calculate the CCA deduction in column 21.

The relevant factors for property of a class in Schedule II, that is an AIIP or property acquired before 2025 that is included in Classes 54 to 56, are:

- 1 1/2 for property in Classes 43.1, 54 and 56 that became available for use in 2024 or 2025 or 5/6 if it became available for use after 2025
- 7/8 for property in Class 55 that became available for use in 2024 or 2025 or 3/8 if it became available for use after 2025
- 1/2 for property in Classes 43.2 and 53 that became available for use in 2024 or 2025 or 1/10 if it became available for use after 2025
- 3 for property in Class 44 that was acquired and became available for use after April 15, 2024 and before 2027 or 0 if it became available for use after 2026
- 2 1/3 for property in Class 46 that was acquired and became available for use after April 15, 2024 and before 2027 or 0 if it became available for use after 2026
- 9/11 for property in Class 50 that was acquired and became available for use after April 15, 2024 and before 2027 or 0 if it became available for use after 2026
- 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 16 for additional information)
- 0 for all other property (including property in Class 10.1) that is an AIIP (other than property in Classes 44, 46 or 50) that became available for use after 2023

If the tax year does not follow the calendar year, the relevant factor is determined under subsection 1100(2.01) of the Regulations.

Notes (continued)

Note 11: The adjustment from column 16 is added to the UCC in column 10 to calculate the CCA deduction in column 21.

The relevant factors for property of a class in Schedule II, that is an RIIP or property acquired after 2024 that is included in Classes 54 to 56, are:

- 2 1/3 for property in Classes 43.1, 54 and 56 that became available for use before 2030
- 1 1/2 for property in Class 55 that became available for use before 2030
- 1 for property in Class 53
- 2 1/3 for property in Class 43 acquired after 2025 that became available for use before 2030, if such property would have been included in Class 53 if it had been acquired in 2025
- 3 for property in Class 44 that became available for use before 2027 or 0 if it became available for use after 2026
- 2 1/3 for property in Class 46 that became available for use before 2027 or 0 if it became available for use after 2026
- 9/11 for property in Class 50 that became available for use before 2027 or 0 if it became available for use after 2026
- 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 16 for additional information)
- 0.5 for all other property (including property in Class 10.1) that is an RIIP that became available for use before 2030 or 0 if it became available for use after 2029

If the tax year does not follow the calendar year, the relevant factor is determined under subsection 1100(2.011) of the Regulations.

Note 12: 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, RIIP and property included in Classes 54 to 56). For special rules and exceptions, see Income Tax Folio S3-F4-C1, General Discussion of Capital Cost Allowance. The adjustment from column 17 is subtracted from the UCC in column 10 to calculate the CCA deduction in column 21.

Note 13: 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 21.

Note 14: 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 19 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 designated immediate expensing property.

Note 15: 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 20. 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 16: If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See Guide T4012 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 and RIIP listed below, the maximum first year allowance you can claim is determined as follows:

- Class 13: if the capital cost of the RIIP was incurred before 2030, 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), and in any other case, the amount for the year calculated in accordance with Schedule III of the Regulations
- Class 14: the lesser of 150% (if the property is an RIIP that becomes available for use in the year and before 2030) or 125% (if the property is an AIIP that becomes available for use in the year and after 2023 or an RIIP that becomes available for use in the year and after 2029) 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% (if the property is an RIIP acquired in the year and before 2026) or 125% (if the property is an AIIP acquired in the year and after 2023 or an RIIP acquired in the year and after 2025) of an amount calculated 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% (for RIIP acquired in the year and before 2030) or 33 1/3% (in any other case) of the capital cost of the property and the UCC at the end of the tax year (before any CCA deduction)
- Natural gas liquefaction: The additional allowances in respect of natural gas liquefaction under paragraphs 1100(1)(a.3) and (yb) of the Regulations are eligible for the accelerated investment incentive and the reaccelerated investment incentive.

The AIIP and RIIP provisions 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 an industrial mineral mine or a right to remove minerals from an industrial mineral mine. See the Income Tax Regulations for more details.

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SCHEDULE 9

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
Lakefront Utilities Inc.	86512 5231 RC0001	2025-12-31

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

	Name 100	Country of residence (other than Canada) 200	Business number (see note 1) 300	Relationship code (see note 2) 400	Number of common shares you own 500	% of common shares you own 550	Number of preferred shares you own 600	% of preferred shares you own 650	Book value of capital stock 700
1.	Town of Cobourg Holdings Inc.		86511 7832 RC0001	1					
2.	Lakefront Utility Services Inc		86906 0327 RC0003	3					
3.	Corporation of the Town of Cobour		10698 5716 RC0001	3					

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

T2 SCH 9 (11)

Canada

Continuity of financial statement reserves (not deductible)

Financial statement reserves (not deductible)

	Description	Balance at the beginning of the year	Transfer on an amalgamation or the wind-up of a subsidiary	Add	Deduct	Balance at the end of the year
1	Post-employment benefits	448,267		427,088	448,267	427,088
2	Provisions			1,006,126		1,006,126
	Reserves from Part 2 of Schedule 13					
	Totals	448,267		1,433,214	448,267	1,433,214

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

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Schedule 23

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

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

Column 1: Enter the legal name of each of the corporations in the associated group, including those deemed to be associated under subsection 256(2) of the Income Tax Act.

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

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

1 – Associated for purposes of allocating the business limit (unless association code 5 applies)
2 – CCPC that is a **third corporation** as referred to in subsection 256(2) and has filed Schedule 28, Election not to be Associated Through a Third Corporation
3 – Non-CCPC that is a **third corporation**
4 – Associated non-CCPC
5 – Associated CCPC to which association code 1 does not apply because a **third corporation** has filed Schedule 28

Column 4: Enter the business limit for the year of each corporation in the associated group. Enter "0" if the corporation has association code 2, 3 or 4 in column 3 (except if the corporation is a cooperative or a credit union eligible for the SBD and it has association code 4).

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

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

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

Allocating the business limit

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

Enter the calendar year the agreement applies to . . . . . . **050** Year 2025

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

	1 Name of associated corporations **100**	2 Business number of associated corporations **200**	3 Association code **300**	4 Business limit for the year before the allocation $	5 Percentage of the business limit % **350**	6 Business limit allocated* $ **400**	
1	Lakefront Utilities Inc.	86512 5231 RC0001	1	500,000			
2	Town of Cobourg Holdings Inc.	86511 7832 RC0001	1	500,000			
3	Lakefront Utility Services Inc	86906 0327 RC0003	1	500,000			
4	Corporation of the Town of Cobourg	10698 5716 RC0001	1	500,000	100.0000	500,000	
				Total	100.0000	500,000	A

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

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the factors used in this calculation is the "large corporation amount" at line 415 of the T2 return. The amount at line 415 is determined using the formula 0.225% x (C - $10,000,000). Another factor is the "adjusted aggregate investment income" from lines 744 and 745 of Schedule 7, Aggregate Investment Income and Income Eligible for the Small Business Deduction. Details of these formulas and variable C are in subsection 125(5.1) of the Act.

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

Special rules for business limit

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

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Schedule 33

Taxable Capital Employed in Canada – Large Corporations

Corporation's name	Business number	Tax year-end Year Month Day
Lakefront Utilities Inc.	86512 5231 RC0001	2025-12-31

- 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:

Description	Line	Amount	Total
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	5,293,376	
Retained earnings	104	8,652,205	
Contributed surplus	105		
Any other surpluses	106		
Deferred unrealized foreign exchange gains	107		
All loans and advances to the corporation	108	3,076,779	
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109	16,569,919	
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)		33,592,279 ▶	33,592,279 A

Note:

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

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

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

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

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

Part 1 – Capital (continued)

Subtotal A (from page 1)		33,592,279 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	33,592,279

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)		33,592,279 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	33,592,279

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)		Taxable income earned in Canada / Taxable income			=	Taxable capital employed in Canada	
33,592,279	x	Taxable income earned in Canada	610	825,919	=	Taxable capital employed in Canada	690 33,592,279
		Taxable income		825,919			

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

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

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

Deduct the following amounts:

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

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

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

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

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

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

Part 5 – Calculation for purposes of the small business deduction

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

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

Enter this amount at line 415 of the T2 return.

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Schedule 50

Shareholder Information

Corporation's name	Business number	Tax year-end Year Month Day
Lakefront Utilities Inc.	86512 5231 RC0001	2025-12-31

- All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.
- Provide only one number (business number, partnership account number, social insurance number or trust number) per shareholder.

	Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust) 100	Business number or partnership account number (9 digits, 2 letters, and 4 digits. If not registered, enter "**NR**") 200	Social insurance number (9 digits) 300	Trust number (T followed by 8 digits) 350	Percentage common shares 400	Percentage preferred shares 500
1	Town of Cobourg Holdings Inc.	NR			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

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Schedule 53

General Rate Income Pool (GRIP) Calculation

Corporation's name	Business number	Tax year-end Year Month Day
Lakefront Utilities Inc.	86512 5231 RC0001	2025-12-31

On: 2025-12-31

- If you are a Canadian-controlled private corporation (CCPC) or a deposit insurance corporation (DIC), use this schedule to determine the general rate income pool (GRIP).
- Credit unions are **not** required to complete this schedule.
- All legislative references are to the federal Income Tax Act and Income Tax Regulations.
- When an eligible dividend was paid in the tax year or there was a change in the GRIP balance, file a completed copy of this schedule with your T2 Corporation Income Tax Return. Do not send your worksheets with your return, but keep them in your records in case we ask to see them later.
- Subsection 89(1) defines the terms **eligible dividend**, **excessive eligible dividend designation**, **general rate income pool**, and **low rate income pool**.

Eligibility for the various additions

Answer the following questions to determine the corporation's eligibility for the various additions:

2006 addition

1. Is this the corporation's first taxation year that includes January 1, 2006? ☐ Yes ☒ No
2. If not, what is the date of the taxation year end of the corporation's first year that includes January 1, 2006? Enter the date and go directly to question 4 — 2006-06-30
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	6,079,868
Taxable income for the year (DICs enter "0")*	110	825,919		
Amount on line 400, 405, 410, or 428 of the T2 return, whichever is the least* 130				
For a CCPC, the lesser of aggregate investment income (line 440 of the T2 return) and taxable income* 140				
Subtotal (line 130 **plus** line 140) ▶			A	
Income taxable at the general corporate rate (line 110 **minus** amount A) (if negative enter "0")	150	825,919		
After-tax income (line 150 **multiplied** by 0.72 (the general rate factor for the tax year))			190	594,662
Eligible dividends received in the tax year	200			
Dividends deductible under section 113 received in the tax year	210			
Subtotal (line 200 **plus** line 210)		▶		B
Becoming a CCPC (amount W5 in Part 4)	220			
Post-amalgamation (total of amount E4 in Part 3 and amount W5 in Part 4)	230			
Post-wind-up (total of amount E4 in Part 3 and amount W5 in Part 4)	240			
Subtotal (**add** lines 220, 230, and 240)	290	▶		
Subtotal (**add** lines 100, 190, 290, and amount B)				6,674,530 C
Eligible dividends paid in the previous tax year	300			
Excessive eligible dividend designations made in the previous tax year	310			
(If becoming a CCPC (subsection 89(4) applies), enter "0" on lines 300 and 310.)				
Subtotal (line 300 **minus** line 310)		▶		D
GRIP before adjustment for specified future tax consequences (amount C **minus** amount D) (amount can be negative)			490	6,674,530
Total GRIP adjustment for specified future tax consequences to previous tax years (amount L3 in Part 2)			560	
GRIP at the end of the tax year (line 490 **minus** line 560)			590	6,674,530

Enter this amount on line 160 of Schedule 55, Part III.1 Tax on Excessive Eligible Dividend Designations.

* For lines 110, 130, and 140, the income amount is the amount before considering specified future tax consequences. This phrase is defined in subsection 248(1). It includes the deduction of a loss carryback from subsequent tax years, a reduction of Canadian exploration expenses and Canadian development expenses that were renounced in subsequent tax years (for example, flow-through share renunciations), reversals of income inclusions where an option is exercised in subsequent tax years, and the effect of certain foreign tax credit adjustments.

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years

Complete this part if the corporation's taxable income of any of the previous three tax years took into account the specified future tax consequences defined in subsection 248(1) from the current tax year. Otherwise, enter "0" on line 560.

First previous tax year 2024-12-31

Taxable income before specified future tax consequences from the current tax year A1

Enter the following amounts before specified future tax consequences from the current tax year:

Amount on line 400, 405, 410, or 428 of the T2 return, whichever is the least B1

Aggregate investment income (line 440 of the T2 return) 1,040,294 C1

Subtotal (amount B1 **plus** amount C1) 1,040,294 ▶ 1,040,294 D1

Subtotal (amount A1 **minus** amount D1) (if negative, enter "0") ▶ E1

Future tax consequences that occur for the current year Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	**Capital loss carry-back**	**Restricted farm loss carry-back**	**Farm loss carry-back**	**Other**	**Total carrybacks**

Taxable income after specified future tax consequences F1

Enter the following amounts after specified future tax consequences:

Amount on line 400, 405, 410, or 428 of the T2 return, whichever is the least G1

Aggregate investment income (line 440 of the T2 return) H1

Subtotal (amount G1 **plus** amount H1) ▶ I1

Subtotal (amount F1 **minus** amount I1) (if negative, enter "0") ▶ J1

Subtotal (amount E1 **minus** amount J1) (if negative, enter "0") K1

GRIP adjustment for specified future tax consequences to the first previous tax year
(amount K1 **multiplied** by 0.72) **500**

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years (continued)

Second previous tax year 2023-12-31

Taxable income before specified future tax consequences from the current tax year A2

Enter the following amounts before specified future tax consequences from the current tax year:

Amount on line 400, 405, 410, or 428 of the T2 return, whichever is the least B2

Aggregate investment income (line 440 of the T2 return) C2

Subtotal (amount B2 **plus** amount C2) ▶ D2

Subtotal (amount A2 **minus** amount D2) (if negative, enter "0") ▶ E2

Future tax consequences that occur for the current year Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	**Capital loss carry-back**	**Restricted farm loss carry-back**	**Farm loss carry-back**	**Other**	**Total carrybacks**

Taxable income after specified future tax consequences F2

Enter the following amounts after specified future tax consequences:

Amount on line 400, 405, 410, or 428 of the T2 return, whichever is the least G2

Aggregate investment income (line 440 of the T2 return) H2

Subtotal (amount G2 **plus** amount H2) ▶ I2

Subtotal (amount F2 **minus** amount I2) (if negative, enter "0") ▶ J2

Subtotal (amount E2 **minus** amount J2) (if negative, enter "0") K2

GRIP adjustment for specified future tax consequences to the second previous tax year
(amount K2 **multiplied** by 0.72) **520**

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years (continued)

Third previous tax year 2022-12-31

Taxable income before specified future tax consequences from the current tax year . . . . ______ A3

Enter the following amounts before specified future tax consequences from the current tax year:

Amount on line 400, 405, 410, or 428 of the T2 return, whichever is the least . . . . ______ B3

Aggregate investment income (line 440 of the T2 return) . . . . ______ C3

Subtotal (amount B3 **plus** amount C3) ______ ▶ ______ D3

Subtotal (amount A3 **minus** amount D3) (if negative, enter "0") ______ ▶ ______ E3

Future tax consequences that occur for the current year Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	**Capital loss carry-back**	**Restricted farm loss carry-back**	**Farm loss carry-back**	**Other**	**Total carrybacks**

Taxable income after specified future tax consequences . . . . ______ F3

Enter the following amounts after specified future tax consequences:

Amount on line 400, 405, 410, or 428 of the T2 return, whichever is the least . . . . ______ G3

Aggregate investment income (line 440 of the T2 return) . . . . ______ H3

Subtotal (amount G3 **plus** amount H3) ______ ▶ ______ I3

Subtotal (amount F3 **minus** amount I3) (if negative, enter "0") ______ ▶ ______ J3

Subtotal (amount E3 **minus** amount J3) (if negative, enter "0") ______ K3

GRIP adjustment for specified future tax consequences to the third previous tax year
(amount K3 **multiplied by** 0.72) . . . . **540** ______

Total GRIP adjustment for specified future tax consequences to previous tax years:
(**add** lines 500, 520, and 540) (if negative, enter "0") . . . . ______ L3

Enter amount L3 on line 560

Part 3 – Worksheet to calculate the GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was a CCPC or a DIC in its last tax year)

nb. 1 Post amalgamation . . . ☐ Post wind-up . . . . . . ☐

- Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary corporation was a CCPC or a DIC in its last tax year. The last tax year for a predecessor corporation was its tax year that ended immediately before the amalgamation and for a subsidiary corporation was its tax year during which its assets were distributed to the parent on the wind-up.
- Calculate the GRIP addition of a successor corporation following an amalgamation at the end of its first tax year.
- Calculate the GRIP addition of a parent corporation upon wind-up at the end of the tax year that ends immediately after the tax year in which the parent has received the assets of the subsidiary.
- In the calculation below, **corporation** means a predecessor or a subsidiary. Complete a separate worksheet for **each** predecessor and **each** subsidiary that was a CCPC or a DIC in its last tax year. Keep a copy of this calculation for your records, in case we ask to see it later.

Corporation's GRIP at the end of its last tax year				A4
Eligible dividends paid by the corporation in its last tax year		B4		
Excessive eligible dividend designations made by the corporation in its last tax year		C4		
Subtotal (amount B4 **minus** amount C4)		►		D4
GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was a CCPC or a DIC in its last tax year) (amount A4 **minus** amount D4)				E4

After you complete this calculation for each predecessor and each subsidiary, calculate the total of all the E4 amounts. Enter this total amount on:

- line 230 for post-amalgamation; or
- line 240 for post-wind-up.

Part 4 – Worksheet to calculate the GRIP addition post-amalgamation, post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year), or the corporation is becoming a CCPC

nb. 1 Corporation becoming a CCPC . . . . . ☐ Post amalgamation . . . . ☐ Post wind-up . . . . ☐

- Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary was not a CCPC or a DIC in its last tax year, or when a corporation has become a CCPC since the end of its previous 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.
- Calculate the GRIP addition of a corporation that became a CCPC since the end of its previous tax year.
- In the calculation below, **corporation** means a predecessor or a subsidiary, or a corporation that became a CCPC since the end of its previous tax year. Complete a separate worksheet for **each** predecessor and **each** subsidiary that was not a CCPC or a DIC in its last year. Keep a copy of this calculation for your records, in case we ask to see it later.

Cost amount to the corporation of all property immediately before the end of its previous/last tax year . . . . ________ A5

The corporation's money on hand immediately before the end of its previous/last tax year . . . . ________ B5

Total of subsection 111(1) losses that would have been deductible in calculating the corporation's taxable income for the previous/last tax year if the corporation had had unlimited income from each business carried on and each property held and had realized an unlimited amount of capital gains for the previous/last tax year:

Non-capital losses . . . . ________ C5
Net capital losses . . . . ________ D5
Farm losses . . . . ________ E5
Restricted farm losses . . . . ________ F5
Limited partnership losses . . . . ________ G5

Subtotal (**add** amounts C5 to G5) ________ ► ________ H5

Total of all amounts deducted under subsection 111(1) in calculating the corporation's taxable income for the previous/last tax year:

Non-capital losses . . . . ________ I5
Net capital losses . . . . ________ J5
Farm losses . . . . ________ K5
Restricted farm losses . . . . ________ L5
Limited partnership losses . . . . ________ M5

Subtotal (**add** amounts I5 to M5) ________ ► ________ N5

Unused and unexpired losses at the end of the corporation's previous/last tax year (amount H5 **minus** amount N5) ________ ► ________ O5

Subtotal (**add** amounts A5, B5, and O5) ________ P5

All the corporation's debts and other obligations to pay that were outstanding immediately before the end of its previous/last tax year . . . . ________ Q5

Paid-up capital of all the corporation's issued and outstanding shares of capital stock immediately before the end of its previous/last tax year . . . . ________ R5

All the corporation's reserves deducted in its previous/last tax year . . . . ________ S5

The corporation's capital dividend account immediately before the end of its previous/last tax year . . . . ________ T5

The corporation's low rate income pool immediately before the end of its previous/last tax year . . . . ________ U5

Subtotal (**add** amounts Q5 to U5) ________ ► ________ V5

GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year), or the corporation is becoming a CCPC (amount P5 **minus** amount V5) (if negative, enter "0") . . . . ________ W5

After you complete this worksheet for each predecessor and each subsidiary, calculate the total of all the W5 amounts. Enter this total amount on:

- line 220 for a corporation becoming a CCPC;
- line 230 for post-amalgamation; or
- line 240 for post-wind-up.

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Schedule 500

Ontario Corporation Tax Calculation

Corporation's name	Business number	Tax year-end Year Month Day
Lakefront Utilities Inc.	86512 5231 RC0001	2025-12-31

- Use this schedule if your corporation had a **permanent establishment** (as defined in section 400 of the federal Income Tax Regulations) in Ontario at any time in the tax year and had Ontario taxable income in the tax year.
- Legislative references are to the federal Income Tax Act and Income Tax Regulations.
- This schedule is a worksheet only and is not required to be filed with your T2 Corporation Income Tax Return.

Part 1 – Ontario basic income tax

Ontario taxable income **(Note 1)** 825,919 1A

Ontario basic rate of tax for the year . . . . . **11.5** % 1B

Ontario basic income tax (amount 1A **multiplied** by amount 1B) **(Note 2)** 94,981 1C

Note 1: If your corporation had a permanent establishment only in Ontario, enter the amount from line 360, from page 3 of the T2 return. Otherwise, enter the taxable income allocated to Ontario from column F in Part 1 of Schedule 5.

Note 2: If your corporation had a permanent establishment in more than one jurisdiction or is claiming an Ontario tax credit in addition to Ontario basic income tax, Ontario corporate minimum tax, or Ontario special additional tax on life insurance corporations payable, enter amount 1C on line 270 of Schedule 5, Tax Calculation Supplementary – Corporations. Otherwise, enter it on line 760 of the T2 return.

Part 2 – Ontario small business deduction (OSBD)

Complete this part if your corporation claimed the federal small business deduction under subsection 125(1).

Line 400 of the T2 return 2,415,720 2A

Line 405 of the T2 return . . . . . ______ 2B

Line 410 of the T2 return . . . . . ______ 2C

Line 415 of the T2 return 73,149 2D

Business limit reduction for tax years starting before April 7, 2022

Amount 2C ______ x Amount 2D ______ / 11,250 = ______ 2E

Business limit reduction for tax years starting after April 6, 2022

Amount 2C ______ x Amount 2D 73,149 / 90,000 = ______ 2F

Amount 2E or amount 2F, whichever applies ______ 2G

Line 515 of the T2 return . . . . . ______ 2H

Subtotal (amount 2C **minus** amount 2G **minus** amount 2H) ______ ► ______ 2I

Amount 2A, 2B or 2I whichever is the least . . . . . ______ ► ______ 2J

Ontario domestic factor (ODF): Taxable income for Ontario **(Note 3)** 825,919.00 / Taxable income for all provinces **(Note 4)** 825,919 = ... 1.00000 2K

Amount 2J **multiplied** by amount 2K . . . . . ______ 2L

Ontario taxable income (amount 1A) 825,919 2M

Ontario small business income (amount 2L or 2M, whichever is less) . . . . . ______ ► ______ 2N

Ontario small business deduction for the year

Amount 2N ______ x 8.3 % = ... ______ 2O

Enter Ontario small business deduction for the year (amount 2O) on line 402 of Schedule 5.

Note 3: Enter amount 1A.

Note 4: Includes the territories and the offshore jurisdictions for Nova Scotia and Newfoundland and Labrador.

Part 3 – Ontario adjusted small business income

Complete this part if your corporation was a Canadian-controlled private corporation throughout the tax year and is claiming the Ontario tax credit for manufacturing and processing or the Ontario credit union tax reduction.

Ontario adjusted small business income (amount 1A or 2J, whichever is the least) . . . . ______ 3A

Enter amount 3A at amount 4B in Part 4 of this schedule or at amount 2E in Part 2 of Schedule 502, Ontario Tax Credit for Manufacturing and Processing, whichever applies.

Part 4 – Credit union tax reduction

Complete this part and Schedule 17, Credit Union Deductions, if the corporation was a credit union throughout the tax year.

Amount 2C of Schedule 17 . . . . ______ 4A

Ontario adjusted small business income (amount 3A) . . . . ______ 4B

Subtotal (amount 4A **minus** amount 4B) (if negative, enter "0") ______ ▶ ______ 4C

Amount 4C ______ x 8.3 % = ... ______ 4D

Ontario domestic factor (amount 2K) 1.00000 4E

Ontario credit union tax reduction (amount 4D **multiplied** by amount 4E) . . . . ______ 4F

Enter amount 4F on line 410 of Schedule 5.