EXHIBIT 6: REVENUE REQUIREMENT AND REVENUE DEFICIENCY OR SUFFICIENCY

2027 Cost of Service

InnPower Corporation
EB-2026-0052

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

This Exhibit provides a summary of the revenue requirement requested by InnPower for 2027 to continue to deliver electricity to its customers safely and reliably. InnPower's total Service Revenue Requirement is offset by revenues obtained by sources other than distribution rates (i.e., other revenue).

As directed in the Chapter 2 Filing Requirements for Electricity Distribution Rate Applications, the calculation of the revenue deficiency/sufficiency does not include the recovery of deferral and variance accounts, Low Voltage Charges, or costs and revenues related to the Cost of Power.

Details on existing and projected distribution revenue at existing rates using forecasted 2027 kWh consumption and demand kW volumes are presented in Exhibit 8 and replicated below.

1.1 Proposed Revenue Requirement

The 2027 Service Revenue Requirement, which represents the amount of money that a utility must receive from its customers to cover its costs, operating expenses, taxes, interest paid on debts owed to investors and a deemed return (profit) is calculated as $26,793,437. The Base Revenue Requirement when considering revenue offsets is calculated as $22,663,859.

The table below presents InnPower's proposed Base Revenue Requirement as calculated in the OEB's Revenue Requirement Work Form, which is being filed with this application.

Table 6-1: Summary of Test Year Revenue Requirement

Particulars	2027 Test Year
OM&A Expenses	$11,831,971
LEAP	$16,660
Depreciation Expense	$6,809,558
Property Taxes	$114,484
Total Distribution Expenses	$18,772,672
Regulated Return on Capital	$8,020,764
Grossed up PILs	$0
Service Revenue Requirement	$26,793,437
Less: Revenue Offsets	-$4,129,578
Base Revenue Requirements	$22,663,859

1.2 Statement of Rate Base

InnPower Corporation's Rate Base represents the average balance of opening and closing balances for net capital assets in service, plus 7.5% of the cost of power and controllable operating expenses for the 2027 Test Year. InnPower Corporation's total Rate Base calculation for the 2027 Test Year is $132,711,606.

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

Particulars	2027 Test Year
Gross Fixed Assets (average)	163,887,542
Accumulated Depreciation (average)	(35,672,281)
Net Fixed Assets (average)	128,215,261
Allowance for Working Capital	4,496,345
Total Rate Base	132,711,606

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

1.3 Return on Rate Base

1.3.1 Requested Return

InnPower Corporation has utilized the Cost of Capital Parameters as per the OEB for 2026 Applications, with the exception of the long-term debt rate where InnPower has utilized the actual interest rate for existing and proposed loans (more details are found in Exhibit 5). The OEB's Rate of Return and InnPower's Requested Rate of Return have been calculated for the 2027 Test Year and are set out in the tables below. InnPower is requesting a return on Rate Base in the amount of $8,020,764 (6.04% of rate base).

Table 6-3: Summary of Rate of Return Requested for 2027 Test Year

	Capitalization Ratio	Capitalization Ratio	Cost Rate	Requested Return
Particulars	%	$	%	$
Debt				
Long-term Debt	56.00%	74,318,499	4.09%	3,040,363
Short-term Debt	4.00%	5,308,464	2.72%	144,390
Total Debt	60.00%	79,626,964	4.00%	3,184,753
Equity				
Common Equity	40.00%	53,084,642	9.11%	4,836,011
Preferred Shares	0.00%	0		0
Total Equity	40.00%	53,084,642	9.11%	4,836,011
Total	100.00%		6.04%	8,020,764

1.3.3 Actual Return

The following tables provide the Actual Return on Rate Base for InnPower in 2027 based on revenue at existing rates, as compared to Return on Rate Base achieved via 2027 proposed rates.

Table 6-4: 2027 Return on Rate Base – Existing vs. Proposed Rates

Description	2027 at Existing Rates	2027 at Proposed Rates (Required)
Rate Base	**$132,711,606**	**$132,711,606**
Deemed Interest Expense	$3,184,753	$3,184,753
Net Income	-$367,746	$4,836,011
Total Return on Rate Base ($)	**$2,817,007**	**$8,020,764**
Total Return on Rate Base (%)	**2.12%**	**6.04%**
Short-Term Interest Rate	2.72%	2.72%
Long-Term Interest Rate	4.09%	4.09%
Return on Equity	-0.69%	9.11%

Determination of Net Income and Calculation of Revenue Deficiency or Sufficiency InnPower Corporation’s existing rates are based on the Board-approved rates in 2024 following a Cost of Service rate application (EB-2023-0033), and two adjustments to its base distribution rates in 2025 to 2026 (Bridge Year) under the Board’s Generation Incentive Regulation Mechanism. The current (2026) rates were approved in InnPower’s IRM application (EB-2025-0027).

The determination of net income includes:

- Distribution revenue at current and approved rates
- Other Operating Revenue Offsets
- Operating Expenses
- Deemed Interest Expense
- PILS

InnPower’s Indicated Return is 2.12%, which is calculated as net income of ($367,746) plus deemed interest expense of $3,184,753, divided by the Utility Rate Base of $132,711,606. The Indicated Return is well below InnPower’s deemed cost of capital of 6.04%, being deficient by (3.95%). Based on InnPower’s 6.04% requested rate of return, InnPower Corporation’s grossed up revenue deficiency relative to revenue at existing rates is $5,203,757.

A detailed calculation presented in Table 6-5 outlines the Revenue Deficiency calculation for the 2027 Test Year at Proposed Rates using the InnPower’s current approved distribution rates.

Table 6-5: 2027 Revenue Deficiency from RRWF Model

Particulars	At Current Approved Rates	At Proposed Rates
Revenue Deficiency from Below		5,203,757
Distribution Revenue	17,460,102	17,460,101
Other Operating Revenue Offsets - net	4,129,578	4,129,578
Total Revenue	21,589,680	26,793,436
Operating Expenses	18,772,672	18,772,672
Deemed Interest Expense	3,184,753	3,184,753
Total Cost and Expenses	21,957,426	21,957,426
Utility Income Before Income Taxes	-367,746	4,836,010
Tax Adjustments to Accounting Income per PILs model	-7,097,205	-7,097,205
Taxable Income	-7,464,951	-2,261,195
Income Tax Rate	0.00%	26.50%
Income Tax on Taxable Income	0	0
Income Tax Credits	0	0
Utility Net Income	-367,746	4,836,010
Utility Rate Base	132,711,606	132,711,606
Deemed Equity Portion of Rate Base	53,084,642	53,084,642
Income/(Equity Portion of Rate Base)	-0.69%	9.11%
Target Return - Equity on Rate Base	9.11%	9.11%
Deficiency/Sufficiency in Return on Equity	-9.80%	0.00%
Indicated Rate of Return	2.12%	6.04%
Requested Rate of Return on Rate Base	6.04%	6.04%
Deficiency/Sufficiency in Rate of Return	-3.92%	0.00%
Target Return on Equity	4,836,011	4,836,011
Revenue Deficiency/(Sufficiency)	5,203,757	
Gross Revenue Deficiency/(Sufficiency)	5,203,757	

1.4 Summary of Revenue Requirement

The following table reflects InnPower Corporation’s Revenue Requirement trend from the 2024 OEB Approved through to the 2027 Test year.

Table 6-6: Summary of Revenue Requirement Trends

Particulars	2024 Approved	2024 Actual	2025 Actual	2026 Bridge Year	2027 Test Year
OM&A Expenses	7,577,618	9,190,545	9,092,227	10,678,162	11,848,631
Depreciation Expense	5,096,877	5,150,518	6,022,290	6,084,354	6,809,558
Property Taxes	129,180	115,726	109,337	114,484	114,484
Total Distribution Expenses	12,803,675	14,456,788	15,223,854	16,876,999	18,772,672
Regulated Return On Capital	4,478,052	5,390,131	6,216,466	6,991,888	8,020,764
Grossed up PILs	169,442	397,573	254,527	0	0
Service Revenue Requirement	17,451,169	20,244,492	21,694,847	23,868,887	26,793,437
Less: Revenue Offsets	(3,567,620)	(4,191,487)	(3,863,621)	(3,778,056)	(4,129,578)
Base Revenue Requirement	13,883,549	16,053,005	17,831,226	20,090,832	22,663,859

As can be seen from the table above, there is an upward trend in the revenue requirement from the 2024 OEB approved to the 2027 Test Year. Key drivers to the increase are as follows:

- Customer growth and demand (as outlined in Exhibit 3 Load Forecast).
- Increased capital requirements, including Depreciation Expense (as outlined in InnPower Corporation’s Exhibit 2 and DSP) and,
- Increase in OM&A expense as outlined in Exhibit 4.

1.6 Revenue Deficiency Analysis and Drivers

The table below is a summary of the 2024 OEB Approved compared to the 2027 Test Year Revenue Requirement which is followed by an explanation for each item that gives rise to the $5,173,753 deficiency.

Table 6-7: Revenue Requirement Work Form

Particulars	2024 OEB Approved	2027 Proposed Test Year	Total Change	
			2027 Approved to 2024 Test	Change
Rate Base				
Average Fixed Assets	71,715,190	128,215,261	56,500,071	79%
Cost of Power	35,082,188	47,988,150	12,905,962	37%
Operating Expenses	7,706,798	11,963,115	4,256,317	55%
Working Capital	42,788,986	59,951,265	17,162,279	40%
	7.50%	7.50%		
Working Capital Allowance	3,209,174	4,496,345	1,287,171	40%
Total Rate Base	74,924,364	132,711,606	57,787,242	77%
Cost of Capital				
Return on Equity	2,760,214	4,836,011	2,075,797	75%
Deemed Interest Expense	1,717,838	3,184,753	1,466,915	85%
	4,478,052	8,020,764	3,542,712	79%
Operating Expenses				
Depreciation	5,096,877	6,809,558	1,712,681	34%
OM&A Expenses	7,577,618	11,848,631	4,271,013	56%
PILs (grossed up)	169,442	0	(169,442)	-100%
Property Taxes	129,180	114,484	(14,696)	-11%
	12,973,117	18,772,672	5,799,555	45%
Revenue Requirement				
Service Revenue Requirement	17,451,169	26,793,437	9,342,268	54%
Other Revenues	(3,567,620)	(4,129,578)	(561,958)	16%
Base Revenue Requirement	**13,883,549**	**22,663,859**	**8,780,310**	**63%**

The variance in Revenue Requirement between 2024 OEB-approved and the 2027 Test Year are explained based on the following:

- Increase of 77% in Rate Base, as a result of:
    - Increase of $56.5M in Average Net Fixed Assets; a 79% increase relative to 2024 OEB-approved. This increased asset base is the result of continued capital investments to facilitate growth, the revision of historical, current, and forecast capital contributions downward, increasing net capital expenditures relative to prior expectations, and the inclusion of all Barrie Area Transmission Upgrade contributions in rate base. These factors are discussed in detailed in Exhibit 2.
    - Increase of $17.2M in Working Capital, representing a 40% increase relative to 2024 OEB-approved. This increase has a commensurate increase in InnPower's Working Capital Allowance, and is driven by increase Cost of Power for an expanding customer base, increasing Cost of Power, and increasing OM&A expenditures as described in Exhibit 4.
- Increase of $2.1M of ROE, representing a 75% increase relative to 2024 OEB-approved. This increase is commensurate with InnPower's increase in rate base relative to 2024 OEB-approved, slightly mitigated by a reduced deemed ROE rate.
- Increase of $1.5M in Deemed Interest, representing an 85% increase relative to 2024 OEB-approved. This increase is commensurate with InnPower's increase in rate base relative to 2024 OEB-approved; slightly increased by higher weighted average interest rates relative to those known at the time of InnPower's 2024 application.
- Increase of $1.7M in Depreciation Expense, representing a 34% increase relative to 2024 OEB-approved. This increase is driven by InnPower's expanding net fixed asset base, as articulated above.
- Increase of $4.3M in OM&A expenditures, representing a 56% increase relative to 2024 OEB-approved. This is driven by necessary operating expenditures required to serve InnPower's expanding customer base and meet new or expanding business requirements, as fully described in Exhibit 4.
- Decrease of $169k in PILs to an amount of $0. InnPower has moved into a taxable loss position in the 2027 Test Year, as a result of higher levels of capital investment and recently revised Capital Cost Allowance rules significantly increasing Capital Cost Allowance tax deductions relative to historical periods.

- Decrease of $15k in forecast Property Taxes, reflecting InnPower’s most recent estimate of property tax expense moving forward.
- Increase of $562k in Other Revenue, primarily driven by an increase in the recognition of Deferred Revenue from capital contributions under Modified IFRS.

More details can be found in the Revenue Requirement Work Form (“RRWF”). InnPower Corporation has filed in PDF and Microsoft Excel versions of the RRWF for the 2027 Test Year.

1.7 2027 Forecasted Revenue at Existing Rates

The following table details the 2027 forecasted revenue at existing rates based on the projected customer and volume of consumption in the load forecast for 2027, applied against 2026 approved rates. The total distribution revenue at existing rates is forecast at $17,460,102.

Table 6-8: 2026 Forecasted Revenue at Existing Rates

	Test Year Projected Revenue from Existing Variable Charges							
Customer Class Name	Variable Distribution Rate	per	Test Year Volume	Gross Variable Revenue	Transform. Allowance Rate	Transform. Allowance kW's	Transform. Allowance $'s	Net Variable Revenue
Residential	$0.0000	kWh	231,433,978	$0			$0	$0
GS<50 kW	$0.0105	kWh	49,324,890	$517,911			$0	$517,911
GS 50 to 4999 kW	$5.6212	kW	179,308	$1,007,928	-$0.60	32,982	-$19,789	$988,139
Sentinel Lighting	$47.9065	kW	295	$14,132			$0	$14,132
Street Lighting	$21.7254	kW	3,382	$73,473			$0	$73,473
Unmetered Scattered Load	$0.0218	kWh	417,038	$9,091			$0	$9,091
Embedded Distributor	$4.8733	kW	2,575	$12,550			$0	$12,550
Total Variable Revenue				$1,635,086		32,982	-$19,789	$1,615,297

	Test Year Projected Revenue from Existing Fixed Charges							
Customer Class Name	Fixed Rate	Customers (Connections)	Fixed Charge Revenue	Variable Revenue	TOTAL	% Fixed Revenue	% Variable Revenue	% Total Revenue
Residential	$48.94	24,725	$14,520,697	$0	$14,520,697	100.00%		83.17%
GS<50 kW	$49.39	1,373	$813,948	$517,911	$1,331,859	61.11%	38.89%	7.63%
GS 50 to 4999 kW	$252.64	90	$273,725	$988,139	$1,261,864	21.69%	78.31%	7.23%
Sentinel Lighting	$10.51	140	$17,694	$14,132	$31,827	55.60%	44.40%	0.18%
Street Lighting	$3.14	5,450	$205,339	$73,473	$278,812	73.65%	26.35%	1.60%
Unmetered Scattered Load	$12.95	68	$10,515	$9,091	$19,607	53.63%	46.37%	0.11%
Embedded Distributor	$240.48	1	$2,886	$12,550	$15,436	18.70%	81.30%	0.09%
Total Fixed Revenue		31,847	$15,844,805	$1,615,297	$17,460,102			

6-2-1 PAYMENT IN LIEU OF TAXES

InnPower is required to make payments in lieu of income taxes ("PILs" or "taxes") based on its taxable income. InnPower files Federal/Provincial tax returns annually. There have been no special circumstances that would require specific tax planning measures to minimize taxes payable.

1.1 PILS TAX WORKFORM

InnPower has used the OEB PILs Tax WorkForm model to calculate the amount of taxes for inclusion in its 2027 rates. PILs have been calculated under MIFRS accounting policies.

InnPower's taxes for the 2027 Test Year amount to $0. In light of InnPower's planned capital expenditures, it is reasonable to expect its tax loss carryforward balances will not be used prior to next rebasing

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

- It has exercised sound tax planning and that for rate setting purposes, it maximized tax credits and take the maximum deductions allowed if it made sense for the utility to do so.
- It has excluded regulatory assets and liabilities from PILs calculations both when they were created, and when they were collected, regardless of the actual tax treatment accorded to those amounts.
- A copy of the most recent Federal and Provincial tax is filed as Appendix 1 of this Exhibit. The 2025 Tax Return will be filed during this proceeding, anticipated to be available at the time of interrogatory responses.
- Detailed calculations of Income Tax or PILs are shown in the OEB PILs model filed as an Excel file along with this application.
- Supporting tables and explanations are provided below. There are no other adjustments (i.e., Tax credits, CCA adjustments) for the Historical, Bridge and Test Years and as such, no other supporting schedules and calculations and explanations for "other additions" and "other deductions" were required.

This Exhibit contains the following Appendix:

- Appendix 1 – 2025 Tax Return

2. OTHER TAXES

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

3. NON-RECOVERABLE AND DISALLOWED EXPENSES

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

6-3-1 OTHER REVENUE

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

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

Other Distribution Revenues includes items such as:

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

This Schedule will provide a summary of Other Revenue from the 2024 OEB Approved to the 2027 Test Year by account, provide a high-level variance analysis, outline the components of the accounts in detail and present revenue from new specific service charges.

1. SUMMARY OF OTHER REVENUE

Table 6-9 shows the detailed breakdown of InnPower's Other Revenue by USoA account from the 2024 OEB Approved to the 2027 Test Year.

Table 6-9: Other Revenue from 2024 OEB Approved to 2027 Test Year

USoA #	USoA Description	2024 Approved	2024 Actual	2025 Actual	2026 Bridge Year	2027 Test Year
	Reporting Basis	**MIFRS**	**MIFRS**	**MIFRS**	**MIFRS**	**MIFRS**
4082	Retail Services Revenues	(14,861)	(13,001)	(14,376)	0	0
4084	Service Transaction Requests (STR)		(73)	(109)	0	0
4086	SSS Admin Charge (SSS)	(79,906)	(70,371)	(71,692)	0	0
4210	Rent from Electric Property	(284,791)	(301,074)	(302,851)	(319,380)	(329,928)
4225	Late Payment Charges	(139,200)	(139,898)	(236,435)	(149,940)	(157,428)
4235	Miscellaneous Service Revenues	(258,229)	(986,769)	(489,443)	(339,238)	(355,160)
4245	Deferred Revenue	(2,416,218)	(1,753,646)	(2,194,271)	(2,375,673)	(2,732,262)
4325	Merchandise Jobbing, etc.	0	0	0	0	0
4355	Gain on Disposal of Property	0	71,474	19,247	0	0
4375	Revenues from Non-Utility Operations	(1,667,195)	(1,971,405)	(1,832,562)	(2,228,303)	(2,503,284)
4380	Expenses of Non-Utility Operations	1,518,559	1,297,348	1,778,541	2,031,096	2,302,640
4385	Non-Utility Rental Income	(115,200)	(168,738)	(267,789)	(274,477)	(231,307)
4390	Miscellaneous Non-Operating Income	(24,000)	(58,582)	(93,849)	(24,792)	(25,500)
4405	Interest and Dividend Income	(86,580)	(96,752)	(158,033)	(97,349)	(97,349)
Miscellaneous Service Revenues		(258,229)	(986,769)	(489,443)	(339,238)	(355,160)
Late Payment Charges		(139,200)	(139,898)	(236,435)	(149,940)	(157,428)
Other Operating Revenues		(2,795,776)	(2,138,165)	(2,583,299)	(2,695,053)	(3,062,190)
Other Income or Deductions		(374,416)	(926,655)	(554,444)	(593,824)	(554,800)
Total		($3,567,620)	($4,191,487)	($3,863,621)	($3,778,056)	($4,129,578)

2. OTHER REVENUE VARIANCE ANALYSIS

The following section will provide a high-level year-over-year variance analysis by account from the 2024 OEB Approved to the 2027 Test Year.

Table 6-10 shows the variance between the 2024 OEB Approved amount and 2027 Test year amounts.

Table 6-10: Other Revenue 2024 OEB-approved to 2027 Test Year

APH	USoA Description	Historical Period / Actual			
		2024 Approved vs 2027 Test			
		2024	2027	Var $	Var %
4082	Retail Services Revenues	(14,861)	0	14,861	(100%)
4084	Service Transaction Requests (STR)	0	0	0	0%
4086	SSS Admin Charge (SSS)	(79,906)	0	79,906	(100%)
4210	Rent from Electric Property	(284,791)	(329,928)	(45,137)	16%
4225	Late Payment Charges	(139,200)	(157,428)	(18,228)	13%
4235	Miscellaneous Service Revenues	(258,229)	(355,160)	(96,931)	38%
4245	Deferred Revenue	(2,416,218)	(2,732,262)	(316,044)	13%
4325	Merchandise Jobbing, etc.	0	0	0	0%
4355	Gain on Disposal of Property	0	0	0	0%
4375	Revenues from Non-Utility Operations	(1,667,195)	(2,503,284)	(836,089)	50%
4380	Expenses of Non-Utility Operations	1,518,559	2,302,640	784,081	52%
4385	Non-Utility Rental Income	(115,200)	(231,307)	(116,107)	101%
4390	Miscellaneous Non-Operating Income	(24,000)	(25,500)	(1,500)	6%
4405	Interest and Dividend Income	(86,580)	(97,349)	(10,769)	12%
	Total	(3,567,620)	(4,129,578)	(561,958)	16%

<u>Change from 2024 Approved to 2027 Test Year</u>

The Other Revenue variance reflects an increase of $561,958. The most notable increases to Other Revenue are Deferred Revenue, Non-Utility Operations, and Non-Utility Rental Income.

Deferred Revenue is representative of the annual recognition of amortized capital contributions from connecting customers. As a high-growth utility with substantial capital contributions, Deferred Revenue has increased alongside InnPower’s growth investments.

Revenues from non-utility operations are revenues for activities with InnPower's affiliates. This amount varies year-to-year depending on the projects each year at the affiliate level. It also includes fully allocated cost charges in accordance with the Affiliate Relationship Code ("ARC"). Non-Utility Revenues are offset against Non-Utility Expenses, which have also increased relative to 2024 OEB-approved. For more information on InnPower's affiliates and the agreements between InnPower and its affiliates please see Exhibit 4-2-1 Shared Services and Corporate Allocations.

Non-Utility Rental Income has also increased since 2024 OEB-approved, as InnPower has now fully rented all available space in its head office facility to third parties under lease. Consistent with the OEB's Decision and Order in EB-2016-0085, InnPower has continued the disallowance in rate base associated with its headquarters and operations centre, such that while rate payers have funded 82.26% of the building, shareholders have since its in-service date funded the remaining 17.74% without return. Given all available space in the building is now leased and yielding $281,190 in annual rental revenue in the 2027 Test Year, InnPower proposes to include only 82.26% of the total rental revenue as Other Revenue; reducing the amount offsetting distribution revenue to $231,307, with the difference issued to shareholders. This adjustment provides some recognition of the cost to the utility of the portion of the building not included in rate base, albeit in a much smaller quantity than would be provided through reversal of the disallowance.

Table 6-14: 2027 Test Year to 2024 Actual

APH	USoA Description	Forecast Period / Planned			
		2027 Test vs 2024 Actual			
		2024	2027	Var $	Var %
4082	Retail Services Revenues	(13,001)	0	13,001	(100%)
4084	Service Transaction Requests (STR)	(73)	0	73	(100%)
4086	SSS Admin Charge (SSS)	(70,371)	0	70,371	(100%)
4210	Rent from Electric Property	(301,074)	(329,928)	(28,854)	10%
4225	Late Payment Charges	(139,898)	(157,428)	(17,530)	13%
4235	Miscellaneous Service Revenues	(986,769)	(355,160)	631,609	(64%)
4245	Deferred Revenue	(1,753,646)	(2,732,262)	(978,616)	56%
4325	Merchandise Jobbing, etc.	0	0	0	0%
4355	Gain on Disposal of Property	71,474	0	(71,474)	(100%)
4375	Revenues from Non-Utility Operations	(1,971,405)	(2,503,284)	(531,879)	27%
4380	Expenses of Non-Utility Operations	1,297,348	2,302,640	1,005,292	77%
4385	Non-Utility Rental Income	(168,738)	(231,307)	(62,569)	37%
4390	Miscellaneous Non-Operating Income	(58,582)	(25,500)	33,082	(56%)
4405	Interest and Dividend Income	(96,752)	(97,349)	(597)	1%
	Total	(4,191,487)	(4,129,578)	61,909	(1%)

<u>Change from 2027 Test Year to 2024 Actual</u>

The Other Revenue variance reflects a decrease of $61,909 most notably reflecting a decrease in Miscellaneous Service Revenue, an increase to Deferred Revenue, and increases to both Non-Utility Revenues and Expenditures.

Table 6-11 shows the variance between 2025 Actual and 2024 Actual.

Table 6-11: Other Revenue 2025 Actual to 2024 Actual

APH	USoA Description	Historical Period / Actual			
		2025 Actual vs 2024 Actual			
		2024	2025	Var $	Var %
4082	Retail Services Revenues	(13,001)	(14,376)	(1,376)	11%
4084	Service Transaction Requests (STR)	(73)	(109)	(35)	48%
4086	SSS Admin Charge (SSS)	(70,371)	(71,692)	(1,321)	2%
4210	Rent from Electric Property	(301,074)	(302,851)	(1,778)	1%
4225	Late Payment Charges	(139,898)	(236,435)	(96,538)	69%
4235	Miscellaneous Service Revenues	(986,769)	(489,443)	497,326	(50%)
4245	Deferred Revenue	(1,753,646)	(2,194,271)	(440,625)	25%
4325	Merchandise Jobbing, etc.	0	0	0	0%
4355	Gain on Disposal of Property	71,474	19,247	(52,226)	(73%)
4375	Revenues from Non-Utility Operations	(1,971,405)	(1,832,562)	138,843	(7%)
4380	Expenses of Non-Utility Operations	1,297,348	1,778,541	481,193	37%
4385	Non-Utility Rental Income	(168,738)	(267,789)	(99,050)	59%
4390	Miscellaneous Non-Operating Income	(58,582)	(93,849)	(35,267)	60%
4405	Interest and Dividend Income	(96,752)	(158,033)	(61,281)	63%
	Total	(4,191,487)	(3,863,621)	327,866	(8%)

Change from 2025 Actual to 2024 Actual

The Other Revenue variance reflects a decrease of $327,866, most notably reflecting a decrease in Miscellaneous Service Revenues, an increase in Deferred Revenue, increases to both Revenues and Expenses from Non-Utility Operations, and an increase in Interest and Dividend Income.

Table 6-12 shows the variance between 2026 Bridge Year and 2025 Actual.

Table 6-12: Other Revenue 2025 Actual to 2026 Bridge

APH	USoA Description	Forecast Period / Planned			
		2026 Bridge vs 2025 Actual			
		2025	2026	Var $	Var %
4082	Retail Services Revenues	(14,376)	0	14,376	(100%)
4084	Service Transaction Requests (STR)	(109)	0	109	(100%)
4086	SSS Admin Charge (SSS)	(71,692)	0	71,692	(100%)
4210	Rent from Electric Property	(302,851)	(319,380)	(16,529)	5%
4225	Late Payment Charges	(236,435)	(149,940)	86,495	(37%)
4235	Miscellaneous Service Revenues	(489,443)	(339,238)	150,204	(31%)
4245	Deferred Revenue	(2,194,271)	(2,375,673)	(181,402)	8%
4325	Merchandise Jobbing, etc.	0	0	0	0%
4355	Gain on Disposal of Property	19,247	0	(19,247)	(100%)
4375	Revenues from Non-Utility Operations	(1,832,562)	(2,228,303)	(395,741)	22%
4380	Expenses of Non-Utility Operations	1,778,541	2,031,096	252,555	14%
4385	Non-Utility Rental Income	(267,789)	(274,477)	(6,688)	2%
4390	Miscellaneous Non-Operating Income	(93,849)	(24,792)	69,057	(74%)
4405	Interest and Dividend Income	(158,033)	(97,349)	60,684	(38%)
	Total	(3,863,621)	(3,778,056)	85,565	(2%)

Change from 2026 Bridge Year to 2025 Actual

The Other Revenue variance reflects a decrease of $85,565, most notably reflecting a decrease in Miscellaneous Service Revenues, an increase in Deferred Revenue, increases to both Revenues and Expenses from Non-Utility Operations, and a decrease in Interest and Dividend Income.

Table 6-13 shows the variance between 2027 Test Year and 2026 Bridge Year.

Table 6-13: Other Revenue 2027 Test Year to 2026 Bridge Year

APH	USoA Description	Forecast Period / Planned			
		2027 Test vs 2026 Bridge			
		2026	2027	Var $	Var %
4082	Retail Services Revenues	0	0	0	0%
4084	Service Transaction Requests (STR)	0	0	0	0%
4086	SSS Admin Charge (SSS)	0	0	0	0%
4210	Rent from Electric Property	(319,380)	(329,928)	(10,548)	3%
4225	Late Payment Charges	(149,940)	(157,428)	(7,488)	5%
4235	Miscellaneous Service Revenues	(339,238)	(355,160)	(15,922)	5%
4245	Deferred Revenue	(2,375,673)	(2,732,262)	(356,589)	15%
4325	Merchandise Jobbing, etc.	0	0	0	0%
4355	Gain on Disposal of Property	0	0	0	0%
4375	Revenues from Non-Utility Operations	(2,228,303)	(2,503,284)	(274,981)	12%
4380	Expenses of Non-Utility Operations	2,031,096	2,302,640	271,544	13%
4385	Non-Utility Rental Income	(274,477)	(231,307)	43,169	(16%)
4390	Miscellaneous Non-Operating Income	(24,792)	(25,500)	(708)	3%
4405	Interest and Dividend Income	(97,349)	(97,349)	0	0%
	Total	(3,778,056)	(4,129,578)	(351,522)	9%

<u>Change from 2027 Test Year to 2026 Bridge Year</u>

The Other Revenue variance reflects an increase of $351,522, most notably reflecting an increase in Deferred Revenue, and increases to both Revenues and Expenses from Non-Utility Operations. In addition, 2027 Non-Utility Rental Income reflects the adjustment to Revenue Offsets to reflect only 82.26% of revenues attributable to ratepayers; reflecting the portion of the headquarters and operational centre funded by ratepayers, as discussed above.

4. OTHER REVENUE ACCOUNT BREAKDOWN

InnPower has completed and filed a version of the OEB’s Chapter 2 Appendices, inclusive of tab 2-H Other Operating Revenue, in which further breakdown of Other Revenue accounts has been provided.

Appendix 1 – 2025 Tax Return

Canada Revenue Agency   Agence du revenu du Canada

T2 Corporation Income Tax Return

200

055 **Do not use this area**

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

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

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

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

Identification

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

Corporation's name

002 InnPower Corporation

Address of head office

Has this address changed since the last time the CRA was notified? . . . . **010** Yes ☐ No ☒

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

011 7251 Yonge Street

012

City **015** Innisfil

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

Country (other than Canada) **017**

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

Mailing address (if different from head office address)

Has this address changed since the last time the CRA was notified? . . . . **020** Yes ☐ No ☒

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

021 c/o

022 7251 Yonge Street

023

City **025** Innisfil

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

Country (other than Canada) **027**

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

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

Has this address changed since the last time the CRA was notified? . . . . **030** Yes ☐ No ☒

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

031 7251 Yonge Street

032

City **035** Innisfil

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

Country (other than Canada) **037**

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

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

- ☒ 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 ☒

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

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

Is the corporation a professional corporation that is a member of a partnership? . . . . **067** Yes ☐ No ☒

Is this the first year of filing after:

Incorporation? . . . . **070** Yes ☐ No ☒

Amalgamation? . . . . **071** Yes ☐ No ☒

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

Has there been a wind-up of a subsidiary under section 88 during the current tax year? . . . . **072** Yes ☐ No ☒

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

Is this the final tax year before amalgamation? . . . . **076** Yes ☐ No ☒

Is this the final return up to dissolution? . . . . **078** Yes ☐ No ☒

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

Is the corporation a resident of Canada? **080** Yes ☒ No ☐

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

081

Is the non-resident corporation claiming an exemption under an income tax treaty? . . . . **082** Yes ☐ No ☒

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

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

085
- ☐ 1 Exempt under paragraph 149(1)(e) or (l)
- ☐ 2 Exempt under paragraph 149(1)(j)
- ☐ 4 Exempt under other paragraphs of section 149

Do not use this area

095 **096** **898**

Attachments

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

		Yes	Schedule
Is the corporation related to any other corporations?	150	☒	9
Is the corporation an associated CCPC?	160	☒	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	161	☐	49
Does the corporation have any non-resident shareholders who own voting shares?	151	☐	19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162	☐	11
If you answered **yes** to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163	☐	44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164	☐	14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165	☐	15
Is the corporation claiming a loss or deduction from a tax shelter?	166	☐	T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	167	☐	T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust (without reference to section 94)?	168	☐	22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	169	☐	25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the Income Tax Regulations?	170	☐	29
Did the corporation have a total amount over CAN$1 million of reportable transactions with non-arm's length non-residents?	171	☐	T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	☒	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172	☐	—
Does the corporation earn income from one or more Internet web pages or websites?	180	☐	88
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	☒	1
Has the corporation made any charitable donations; gifts of cultural or ecological property; or gifts of medicine?	202	☐	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203	☒	3
Is the corporation claiming any type of losses?	204	☒	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205	☒	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	206	☐	6
i) Is the corporation a CCPC and reporting a) income or loss from property (other than dividends deductible on line 320 of the T2 return), b) income from a partnership, c) income from a foreign business, d) income from a personal services business, e) income referred to in clause 125(1)(a)(i)(C) or 125(1)(a)(i)(B), f) aggregate investment income as defined in subsection 129(4), or g) an amount assigned to it under subsection 125(3.2) or 125(8); or ii) Is the corporation a member of a partnership and assigning its specified partnership business limit to a designated member under subsection 125(8)?	207	☐	7
Does the corporation have any property that is eligible for capital cost allowance?	208	☒	8
Does the corporation have any resource-related deductions?	212	☐	12
Is the corporation claiming deductible reserves?	213	☐	13
Is the corporation claiming a patronage dividend deduction?	216	☐	16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or a provincial credit union tax reduction?	217	☐	17
Is the corporation an investment corporation or a mutual fund corporation?	218	☐	18
Is the corporation carrying on business in Canada as a non-resident corporation?	220	☐	20
Is the corporation claiming any federal, provincial, or territorial foreign tax credits, or any federal logging tax credits?	221	☐	21
Does the corporation have any Canadian manufacturing and processing profits or zero-emission technology manufacturing profits?	227	☐	27
Is the corporation claiming an investment tax credit?	231	☐	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232	☐	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over $10,000,000?	233	☒	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over $10,000,000?	234	☒	—
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238	☐	38
Is the corporation claiming a Part I tax credit?	242	☐	42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243	☐	43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244	☐	45
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250	☐	39
Is the corporation claiming a Canadian film or video production tax credit?	253	☐	T1131
Is the corporation claiming a film or video production services tax credit?	254	☐	T1177
Is the corporation claiming a Canadian journalism labour tax credit?	272	☐	58
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	255	☐	92

Attachments (continued)

		Yes	Schedule
Did the corporation have any foreign affiliates in the tax year?	**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**	☒	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

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

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

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

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

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

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

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

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI			**300** -947,660	A
Deduct:				
Charitable donations from Schedule 2	**311**			
Cultural gifts from Schedule 2	**313**			
Ecological gifts from Schedule 2	**314**			
Gifts of medicine made before March 22, 2017, from Schedule 2	**315**			
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	**320**			
Part VI.1 tax deduction*	**325**			
Non-capital losses of previous tax years from Schedule 4	**331**			
Net capital losses of previous tax years from Schedule 4	**332**			
Restricted farm losses of previous tax years from Schedule 4	**333**			
Farm losses of previous tax years from Schedule 4	**334**			
Limited partnership losses of previous tax years from Schedule 4	**335**			
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			►	B
Subtotal (amount A **minus** amount B) (if negative, enter "0")				C
Section 110.5 additions or subparagraph 115(1)(a)(vii) additions			**355**	D
Taxable income (amount C **plus** amount D)			**360**	

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

Small business deduction

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

Income eligible for the small business deduction from Schedule 7	**400**		A
Taxable income from line 360 on page 3, **minus** 100/28 (3.57143) of the amount on line 632* on page 8, **minus** 4 times the amount on line 636** on page 8, and **minus** any amount that, because of federal law, is exempt from Part I tax	**405**		B
Business limit (see notes 1 and 2 below)	**410**	500,000	C

Notes:

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

Business limit reduction

Taxable capital business limit reduction

Amount C 500,000 x **415** *** 557,620 D / 90,000 = 3,097,889 E

Passive income business limit reduction

Adjusted aggregate investment income from Schedule 7**** . **417** 2,931,000 – 50,000 = 2,881,000 F

Amount C 500,000 / 100,000 x Amount F 2,881,000 = 14,405,000 G

The greater of amount E and amount G **422** 14,405,000 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 . . . . ________ A

Lesser of amounts 9B and 9H from Part 9 of Schedule 27 . . . . . . ________ B
Amount 13K from Part 13 of Schedule 27 . . . . . . ________ C
Personal services business income . . . . . . **432** ________ D
Amount from line 400, 405, 410, or 428 on page 4, whichever is the least* . . . . . . ________ E
Aggregate investment income from line 440 on page 6** . . . . . . ________ F

Subtotal (**add** amounts B to F) ________ ▶ ________ G

Amount A **minus** amount G (if negative, enter "0") . . . . ________ H

General tax reduction for Canadian-controlled private corporations – Amount H **multiplied** by 13 % . . . . . . ________ I
Enter amount I on line 638 on page 8.

* This is not applicable to substantive CCPCs.

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

General tax reduction

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

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

Lesser of amounts 9B and 9H from Part 9 of Schedule 27 . . . . . . ________ K
Amount 13K from Part 13 of Schedule 27 . . . . . . ________ L
Personal services business income . . . . . . **434** ________ M

Subtotal (**add** amounts K to M) ________ ▶ ________ N

Amount J **minus** amount N (if negative, enter "0") . . . . ________ O

General tax reduction – Amount O **multiplied** by 13 % . . . . ________ P
Enter amount P on line 639 on page 8.

Refundable portion of Part I tax

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

Aggregate investment income from Schedule 7 . . . . **440** ________ x 30 2/3 % = ... ________ A

Foreign non-business income tax credit from line 632 on page 8 . . . . ________ B

Foreign investment income from Schedule 7 . . . . **445** ________ x 8 % = ________ C

Subtotal (amount B **minus** amount C) (if negative, enter "0") ________ ▶ ________ D

Amount A **minus** amount D (if negative, enter "0") . . . . ________ E

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

Amount from line 400, 405, 410, or 428 on page 4, whichever is the least* . . . . ________ G

Foreign non-business income tax credit from line 632 on page 8 . . . . ________ x 75 / 29 = ________ H

Foreign business income tax credit from line 636 on page 8 . . ________ x 4 = ________ I

Subtotal (**add** amounts G to I) ________ ▶ ________ J

Subtotal (amount F **minus** amount J) ________ K x 30 2/3 % = ________ L

Part I tax payable minus investment tax credit refund (line 700 **minus** line 780 from page 9) . . . . ________ M

Refundable portion of Part I tax – Amount E, L, or M, whichever is the least . . . . **450** ________ N

* 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)	191,667	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")	191,667	GG
Amount BB **minus** amount CC (if negative, enter "0")		HH
Additional non-eligible dividend refund (amount GG or HH, whichever is less)		II
Dividend refund – Amount CC **plus** amount FF **plus** amount II		JJ

Enter amount JJ on line 784 on page 9.

Part I tax

Base amount Part I tax – Taxable income (from line 360 on page 3) **multiplied** by 38 % . . . . **550** __________ A

Additional tax on personal services business income (section 123.5)

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

Additional tax on banks and life insurers from Schedule 68 . . . . **565** __________ C

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 . . . . __________ 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) __________ ▶ __________ 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) __________ K

Deduct:

Small business deduction from line 430 on page 4 . . . . __________ L

Federal tax abatement . . . . **608** __________

Manufacturing and processing profits deduction and zero-emission technology manufacturing deduction from Schedule 27 . . . . **616** __________

Investment corporation deduction . . . . **620** __________

Taxed capital gains **624** __________

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

Federal foreign business income tax credit from Schedule 21 . . . . **636** __________

General tax reduction for CCPCs from amount I on page 5 . . . . **638** __________

General tax reduction from amount P on page 5 . . . . **639** __________

Federal logging tax credit from Schedule 21 . . . . **640** __________

Eligible Canadian bank deduction under section 125.21 . . . . **641** __________

Federal qualifying environmental trust tax credit . . . . **648** __________

Investment tax credit from Schedule 31 . . . . **652** __________

Subtotal __________ ▶ __________ M

Part I tax payable – Amount K **minus** amount M . . . . __________ 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		
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			

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	35,719	
Total tax payable	770	35,719	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	207,119
Total credits	890	207,119 ▶ 207,119 B

Balance (amount A **minus** amount B) -171,400

If the result is negative, you have **a refund**. If the result is positive, you have a **balance owing**.
Enter the amount below on whichever line applies.

Generally, the CRA does not charge or refund a difference of $2 or less.

Refund code **894** 1 Refund 171,400 Balance owing

For information on how to enrol for direct deposit, go to **canada.ca/cra-direct-deposit**.

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

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

If this return was prepared by a tax preparer for a fee, provide their:
EFILE number **920** G1829
RepID **925**

Certification

I, **950** Putnam **951** Wayde **954** CFO,
Last name First name Position, office, or rank

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

955 Date (yyyy/mm/dd) Signature of the authorized signing officer of the corporation **956** (705) 431-6870 Telephone number

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

958 Lisa McCaskie **959** (705) 431-6870
Name of other authorized person Telephone number

Language of correspondence – Langue de correspondance

Indicate your language of correspondence by entering **1** for English or **2** for French.
Indiquez votre langue de correspondance en inscrivant **1** pour anglais ou **2** pour français. **990** 1

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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
InnPower Corporation	89242 2817 RC0001	2025-12-31

Balance sheet information

Account	Description	GIFI		Current year	Prior year
Assets					
	Total current assets	1599	+	49,434,000	53,522,000
	Total tangible capital assets	2008	+	250,991,000	210,865,000
	Total accumulated amortization of tangible capital assets	2009	–	39,989,000	33,835,000
	Total intangible capital assets	2178	+		
	Total accumulated amortization of intangible capital assets	2179	–		
	Total long-term assets	2589	+	9,727,000	10,956,000
	* Assets held in trust	2590	+		
	Total assets (mandatory field)	2599	=	270,163,000	241,508,000
Liabilities					
	Total current liabilities	3139	+	56,388,000	98,019,000
	Total long-term liabilities	3450	+	174,906,000	106,097,000
	* Subordinated debt	3460	+		
	* Amounts held in trust	3470	+		
	Total liabilities (mandatory field)	3499	=	231,294,000	204,116,000
Shareholder equity					
	Total shareholder equity (mandatory field)	3620	+	38,869,000	37,392,000
	Total liabilities and shareholder equity	3640	=	270,163,000	241,508,000
Retained earnings					
	Retained earnings/deficit – end (mandatory field)	3849	=	26,318,000	24,847,000

* 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
InnPower Corporation	89242 2817 RC0001	2025-12-31

Income statement information

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

Income statement information

Account	Description	GIFI		Current year	Prior year
	Total sales of goods and services	8089	+	63,470,000	59,273,000
	Cost of sales	8518	–	47,967,000	45,234,000
	Gross profit/loss	8519	=	15,503,000	14,039,000
	Cost of sales	8518	+	47,967,000	45,234,000
	Total operating expenses	9367	+	17,777,000	16,519,000
	Total expenses (mandatory field)	9368	=	65,744,000	61,753,000
	Total revenue (mandatory field)	8299	+	67,247,000	63,381,000
	Total expenses (mandatory field)	9368	–	65,744,000	61,753,000
	Net non-farming income	9369	=	1,503,000	1,628,000

Farming income statement information

Account	Description	GIFI		Current year	Prior year
	Total farm revenue (mandatory field)	9659	+		
	Total farm expenses (mandatory field)	9898	–		
	Net farm income	9899	=		

Account	Description	GIFI		Current year	Prior year
	Net income/loss before taxes and extraordinary items	9970	=	1,503,000	1,628,000
	Total – other comprehensive income	9998	=	6,000	9,000

Extraordinary items and income (linked to Schedule 140)

Account	Description	GIFI		Current year	Prior year
	Extraordinary item(s)	9975	–		
	Legal settlements	9976	–		
	Unrealized gains/losses	9980	+		
	Unusual items	9985	–	-803,000	-1,694,000
	Current income taxes	9990	–	-201,000	104,000
	Future (deferred) income tax provision	9995	–	536,000	603,000
	Total – Other comprehensive income	9998	+	6,000	9,000
	Net income/loss after taxes and extraordinary items (mandatory field)	9999	=	1,977,000	2,624,000

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Schedule 141

General Index of Financial Information (GIFI) – Additional Information

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 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 ☒ No ☐

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

Does that person have a professional designation in accounting? . . . . . **095** Yes ☒ No ☐

Is that person connected** with the corporation? . . . . . **097** Yes ☐ No ☒

* A person primarily involved with the financial information is a person who has more than a 50% involvement in preparing the financial information that the T2 return is based on. For example, if three persons prepared the financial information by doing respectively 30%, 30%, and 40% of the work, answer **no** at line 111. If they did respectively 10%, 20%, and 70% of the work, answer **yes** at line 111 and complete Part 1 by referring only to the third person.

** A person connected with a corporation can be: (i) a shareholder of the corporation who owns more than 10% of the common shares; (ii) a director, an officer, or an employee of the corporation; or (iii) a person not dealing at arm's length with the corporation.

Part 2 – Type of involvement

Choose one or more of the following options that represent your involvement and that of the person referred to in Part 1:

Completed an auditor's report . . . . . **300** ☒

Completed a review engagement report . . . . . **301** ☐

Conducted a compilation engagement . . . . . **302** ☐

Provided accounting services . . . . . **303** ☐

Provided bookkeeping services . . . . . **304** ☐

Other (please specify) . . . . . **305** Tax return preparation services

Part 3 – Reservations

If you selected option **1** (300) or **2** (301) in Part 2 above, answer the following question:

Has the person referred to in Part 1 expressed a reservation? . . . . . **099** Yes ☐ No ☒

Part 4 – Other information

Were notes to the financial statements prepared? . . . . . **101** Yes ☒ No ☐

Did the corporation have any subsequent events? . . . . . **104** Yes ☐ No ☒

Did the corporation re-evaluate its assets during the tax year? . . . . . **105** Yes ☐ No ☒

Did the corporation have any contingent liabilities during the tax year? . . . . . **106** Yes ☐ No ☒

Did the corporation have any commitments during the tax year? . . . . . **107** Yes ☒ No ☐

Does the corporation have investments in joint venture(s) or partnership(s)? . . . . . **108** Yes ☐ No ☒

Part 4 – Other information (continued)

Impairment and fair value changes

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

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

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

Financial instruments

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

Did the corporation apply hedge accounting during the tax year? . . . . . **255** Yes ☐ No ☒

Did the corporation discontinue hedge accounting during the tax year? . . . . . **260** Yes ☐ No ☒

Adjustments to opening equity

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

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

Part 5 – Information on the person who prepared the T2 return

If the person who prepared the T2 return has a professional designation in accounting but is not the person identified in Part 1, choose all of the following options that apply:

Prepared the T2 return and the financial information contained therein . . . . . **310** ☐

The client provided the financial statements . . . . . **311** ☐

The client provided a trial balance . . . . . **312** ☐

The client provided a general ledger . . . . . **313** ☐

Other (please specify) **314**

Corporation's name	Business number	Tax year end Year Month Day
InnPower Corporation	89242 2817 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

INNPOWER CORPORATION
Notes to Financial Statements
(Expressed in thousands of dollars)
Year ended December 31, 2025

Reporting entity:

InnPower Corporation (the "Corporation") is a rate regulated, municipally owned hydro distribution company incorporated under the laws of Ontario, Canada. The Corporation is located in the Town of Innisfil ("the Town"). The address of the Corporation's registered office is 7251 Yonge Street, Innisfil, Ontario.

The Corporation delivers electricity and related energy services to residential and commercial customers in the Town and South Barrie. The Corporation is wholly owned by the Town of Innisfil.

The financial statements are for the Corporation as at and for the year ended December 31, 2025.

1. Basis of presentation:

(a) Statement of compliance:

The Corporation's financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS").

The financial statements were approved by the Board of Directors on April 20, 2026.

(b) Basis of measurement:

These financial statements have been prepared on the historical cost basis, unless otherwise stated.

(c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Corporation's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest thousand.

(d) Use of estimates and judgments:

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment is included in the following notes:

1. Basis of presentation (continued):

(d) Use of estimates and judgments (continued):

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment is included in the following notes:

(i) Note 2(b) - measurement of unbilled revenue
(ii) Note 2(b) - determination of the performance obligation for

General Index of Financial Information

Notes to the financial statements

contributions from customers and the related amortization period.

(iii) Notes 2 (k), 8 - leases: whether an arrangement contains a lease

(iv) Notes 6, 7 - estimation of useful lives of its property, plant and equipment and intangible assets

(v) Note 9 - recognition and measurement of regulatory balances

(vi) Note 5 - measurement of defined benefit obligations: key actuarial assumptions

(vii) Note 18 - recognition and measurement of provisions and contingencies

(e) Rate regulation:

The Corporation is regulated by the Ontario Energy Board ("OEB"), under the authority granted by the Ontario Energy Board Act, 1998. Among other things, the OEB has the power and responsibility to approve or set rates for the transmission and distribution of electricity, providing continued rate protection for electricity consumers in Ontario, and ensuring that transmission and distribution companies fulfill obligations to connect and service customers. The OEB may also prescribe license requirements and conditions of service to local distribution companies ("LDCs"), such as the Corporation, which may include, among other things, record keeping, regulatory accounting principles, separation of accounts for distinct businesses, and filing and process requirements for rate setting purposes.

1. Basis of presentation (continued):

(e) Rate regulation (continued):

Distribution revenue

For the distribution revenue included in sale of energy, the Corporation files a "Cost of Service" ("COS") rate application with the OEB every five years where rates are determined through a review of the forecasted annual amount of operating and capital expenditures, debt and shareholder's equity required to support the Corporation's business. The Corporation estimates electricity usage and the costs to service each customer class to determine the appropriate rates to be charged to each customer class.

The COS application is reviewed by the OEB and interveners and rates are approved based upon this review, including any revisions resulting from that review.

In the intervening years an Incentive Rate Mechanism application ("IRM") is filed. An IRM application results in a formulaic adjustment to distribution rates that were set under the last COS application. The previous year's rates are adjusted for the annual change in the Gross Domestic Product Implicit Price Inflator for Final Domestic Demand ("GDP IPI-FDD")

General Index of Financial Information

Notes to the financial statements

net of a productivity factor and a "stretch factor" determined by the relative efficiency of an electricity distributor.

As a licensed distributor, the Corporation is responsible for billing customers for electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties. The Corporation is required, pursuant to regulation, to remit such amounts to these third parties, irrespective of whether the Corporation ultimately collects these amounts from customers.

The Corporation last filed a COS application in 2023 for rates effective January 1, 2024.

On December 12, 2024, the Corporation received its decision on rates from its most recent IRM filing for rates effective January 1, 2025.

Electricity rates

The OEB sets electricity prices for low-volume consumers twice each year based on an estimate of how much it will cost to supply the province with electricity for the next year. All remaining consumers pay the market price for electricity. The Corporation is billed for the cost of the electricity that its customers use and passes this cost on to the customer at cost without a mark-up.

2. Material accounting policies:

The accounting policies set out below have been applied consistently in all years presented in these financial statements.

(a) Financial instruments:

At initial recognition, the Corporation measures it's financial assets at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement of the financial asset depends on the classification determined on initial recognition. Financial assets are classified as either amortized cost, fair value through other comprehensive income ("OCI") or fair value through profit or loss, depending on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Financial assets are not reclassified subsequent to their initial recognition, unless the Corporation changes its business model for managing financial assets.

Financial liabilities are initially measured at fair value, net of transaction costs incurred.

They are subsequently carried at amortized cost using the effective interest rate method;

any difference between the proceeds (net of transaction costs) and the redemption value is recognized as an adjustment to interest expense over the period of the borrowings.

The Corporation has not entered into derivative instruments.

(b) Revenue recognition:

Sale and distribution of electricity

The performance obligations for the sale and distribution of electricity are recognized over time using an output method to measure the satisfaction of the performance obligation.

The value of the electricity services transferred to the customer is determined on the basis of cyclical meter readings plus estimated customer usage since the last meter reading date to the end of the year and represents the amount that the Corporation has the right to bill.

Revenue includes the cost of electricity supplied, distribution, and any other regulatory charges. The related cost of power is recorded on the basis of power used.

For customer billings related to electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties, the Corporation has determined that it is acting as a principal for these electricity charges and, therefore, has presented electricity revenue on a gross basis.

2. Material accounting policies (continued):

(b) Revenue recognition (continued):

Customer billings for debt retirement charges are recorded on a net basis as the Corporation is acting as an agent for this billing stream.

Capital contributions

Developers are required to contribute towards the capital cost of construction of distribution assets in order to provide ongoing service. The developer is not a customer and therefore the contributions are scoped out of IFRS 15 Revenue from Contracts with Customers. Cash contributions, received from developers are recorded as deferred revenue. When an asset other than cash is received as a capital contribution, the asset is initially recognized at its fair value, with a corresponding amount recognized as deferred revenue. The deferred revenue, which represents the Corporation's obligation to continue to provide the customers access to the supply of electricity, is amortized to income on a straight-line basis over the useful life of the related asset.

Certain customers are also required to contribute towards the capital cost of construction of distribution assets in order to provide ongoing service. These contributions fall within the scope of IFRS 15 Revenue from Contracts with Customers. The contributions are received to obtain a connection to the distribution system in order receive ongoing access to electricity. The Corporation has concluded that the performance obligation is the supply of electricity over the life of the relationship with the customer which is satisfied over time as the customer receives and consumes the electricity. Revenue is recognized on a straight-line basis over the useful life of the related asset.

Other revenue

Revenue earned from the provision of services is recognized as the service is rendered.

Government grants and the related performance incentive payments under CDM programs are recognized as revenue in the year when there is reasonable assurance that the program conditions have been satisfied and the payment will be received.

Unbilled revenue

Unbilled revenue represents amounts for which the Corporation has a contractual right to receive cash through future billings and are unbilled at the year-end date. Unbilled revenue is recorded based on preliminary consumption for any period not yet billed.

2. Material accounting policies (continued):

(c) Materials and supplies:

Materials and supplies, the majority of which is consumed by the Corporation in the provision of its services, is valued at the lower of cost and net realizable value, with cost being determined on an average cost basis, and includes expenditures incurred in acquiring the materials and supplies and other costs incurred in bringing them to their existing location and condition.

(d) Property, plant and equipment:

Items of property, plant and equipment ("PP&E") used in rate-regulated activities and acquired prior to January 1, 2015 are measured at the deemed cost (carrying value as elected under IFRS 1) established on the transition date, less accumulated depreciation.

All other items of PP&E are measured at cost, or, where the item is contributed by customers, its fair value, less accumulated depreciation.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes contracted services, materials and transportation costs, direct labour, overhead costs, borrowing costs and any other costs directly attributable to bringing the asset to a working condition for its intended use.

Borrowing costs on qualifying assets are capitalized as part of the cost of the asset based upon the weighted average cost of debt incurred on the Corporation's borrowings.

Qualifying assets are considered to be those that take in excess of 12 months to construct.

When parts of an item of PP&E have different useful lives, they are accounted for as separate items (major components) of PP&E.

When items of PP&E are retired or otherwise disposed of, a gain or loss on disposal is determined by comparing the proceeds from disposal, if any, with the carrying amount of the item, and such gain or loss on disposal is included in profit or loss.

Major spare parts and standby equipment are recognized as items of PP&E.

The cost of replacing a part of an item of PP&E is recognized as a capital addition in the net book value of the item if it is probable that the future economic benefits embodied within the part will flow to the Corporation, and its cost can be measured reliably. In this event, the replaced part of PP&E is written off, and the related gain or loss is included in profit or loss. The costs of the day-to-day servicing of PP&E are recognized as repairs and maintenance in profit or loss, as incurred.

2. Material accounting policies (continued):

(d) Property, plant and equipment (continued):

The need to estimate the decommissioning costs at the end of the useful lives of certain assets is reviewed periodically.

Depreciation is calculated to write off the cost of items of PP&E using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss.

Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted prospectively if appropriate. Land is not depreciated. Construction-in-progress assets are not depreciated until the project is complete and the asset is available for use.

The estimated useful lives are as follows:

Asset	Rate
Buildings and fixtures	50 years
Substations	30 years
Distribution lines	15-60 years
Distribution transformers	40-50 years
Meters	15-25 years
Office equipment	10 years
Computer equipment	5 years
Transportation equipment	10 years
Small tools and miscellaneous equipment	10 years
System supervisory	15 years

(e) Intangible assets:

Intangible assets used in rate-regulated activities and acquired prior to January 1, 2015 are measured at deemed cost (carrying value as elected under IFRS 1) established on the transition date, less accumulated amortization. All other intangible assets are measured at

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cost.

Computer software that is acquired or developed by the Corporation after January 1, 2015, including software that is not integral to the functionality of equipment purchased which has finite useful lives, is measured at cost less accumulated amortization.

Payments to obtain rights to access land ("land rights") are classified as intangible assets. These include payments made for easements, right of access and right of use over land for which the Corporation does not hold title. Land rights are measured at cost less accumulated amortization.

2. Material accounting policies (continued):

(e) Intangible assets (continued):

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. Amortization methods and useful lives of all intangible assets are reviewed at each reporting date and adjusted prospectively if appropriate. The estimated useful lives are:

Asset	Rate
Computer software	5 years
Land rights	50 years
Contribution asset	25 years

(f) Impairment:

(i) Financial assets measured at amortized cost:

The Corporation recognizes a loss allowance for expected credit losses ("ECLs") on financial assets measured at amortized cost in accordance with IFRS 9 Financial Instruments. The Corporation applies the simplified approach to trade receivables and unbilled revenue, under which lifetime expected credit losses are recognized from initial recognition. Expected credit losses are measured using a provision matrix based on the Corporation's historical credit loss experience, adjusted as appropriate for current conditions and reasonable and supportable forward-looking information relevant to the Corporation's customers and operating environment. Historical loss rates are determined separately for customer classes with similar credit risk characteristics and are reviewed at each reporting date to ensure they remain appropriate.

(ii) Non-financial assets:

The carrying amounts of the Corporation's non-financial assets, other than materials and supplies and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

2. Material accounting policies (continued):

(f) Impairment (continued):

(ii) Non-financial assets (continued):

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash -generating unit" or "CGU"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no previous impairment loss had been recognized.

(g) Customer deposits:

Customer deposits represent cash deposits from electricity distribution customers and retailers to guarantee the payment of energy bills. Interest is paid on customer deposits. Deposits are refundable to customers who demonstrate an acceptable level of credit risk as determined by the Corporation in accordance with policies set out by the OEB or upon termination of their electricity distribution service.

(h) Provisions:

A provision is recognized if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

2. Material accounting policies (continued):

(i) Regulatory balances:

Regulatory deferral account debit balances represent costs incurred in excess of amounts billed to the customer at OEB approved rates. Regulatory deferral account credit balances
represent amounts billed to the customer at OEB approved rates in excess of costs incurred by the Corporation.

Regulatory deferral account debit balances are recognized if it is probable that future billings in an amount at least equal to the deferred cost will result from inclusion of that cost in allowable costs for rate-making purposes. The offsetting amount is recognized in net movement in regulatory balances in profit or loss or OCI. When the customer is billed at rates approved by the OEB for the recovery of the deferred costs, the customer billings are
recognized in revenue. The regulatory debit balance is reduced by the amount of these customer billings with the offset to net movement in regulatory balances in profit or loss or OCI.

The probability of recovery of the regulatory deferral account debit balances is assessed annually based upon the likelihood that the OEB will approve the change in rates to recover the balance. The assessment of likelihood of recovery is based upon previous decisions made by the OEB for similar circumstances, policies or guidelines issued by the OEB. Any resulting impairment loss is recognized in profit or loss in the year incurred.

When the Corporation is required to refund amounts to ratepayers in the future, the Corporation recognizes a regulatory deferral account credit balance. The offsetting amount is recognized in net movement in regulatory balances in profit or loss or OCI. The amounts returned to the customers are recognized as a reduction of revenue. The credit
balance is reduced by the amount of these customer repayments with the offset to net movement in regulatory balances in profit or loss or OCI.

2. Material accounting policies (continued):

(j) Post-employment benefits:

(i) Pension plan

The Corporation provides a pension plan for all its full-time employees

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through Ontario Municipal Employees Retirement System ("OMERS"). OMERS is a multiemployer pension plan which operates as the Ontario Municipal Employees Retirement Fund ("the Fund"), and provides pensions for employees of Ontario municipalities, local boards and public utilities. The Fund is a contributory defined benefit pension plan, which is financed by equal contributions from participating employers and employees, and by the investment earnings of the Fund. To the extent that the Fund finds itself in an over or under-funded position, contribution rates may be assessed to participating employers and members. OMERS is a defined benefit plan. However, as OMERS does not segregate its pension asset and liability information by individual employers, there is insufficient information available to enable the Corporation to directly account for the plan. Consequently, the plan has been accounted for as a defined contribution plan. The Corporation is not responsible for any other contractual obligations other than the contributions. Obligations for contributions to defined contribution pension plans are
recognized as an employee benefit expense in profit or loss when they are due.

(ii) Post-employment benefits, other than pension

The Corporation provides some of its retired employees with life insurance and medical benefits beyond those provided by government sponsored plans.

The obligations for these post-employment benefit plans are actuarially determined by applying the projected unit credit method and reflect management's best estimate of certain underlying assumptions. Remeasurements of the net defined benefit obligations, including actuarial gains and losses and the return on plan assets (excluding interest), are recognized immediately in other comprehensive income. When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized immediately in profit or loss.

2. Material accounting policies (continued):

(k) Leased assets:

At inception of a contract, the Corporation assesses whether the contract is or contains a lease. A contract is determined to contain a lease if it provides the Corporation with the right to control the use of an identified asset for a period of time in exchange for consideration. Contracts determined to contain a lease are accounted for as leases. For leases and contracts that contain a lease, the Corporation recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially
measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives
received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or
the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Subsequent to initial recognition, the right-of-use asset is recognized at cost less any accumulated depreciation and any accumulated impairment losses, adjusted for certain remeasurements of the corresponding lease liability.

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Corporation's incremental borrowing rate is
used. The lease liability is subsequently measured at amortized cost using

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the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Corporation's estimate of the amount expected to be payable under a residual value guarantee, or if the Corporation changes its assessment of whether it will exercise a purchase, extension or termination option. When
the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

2. Material accounting policies (continued):

(l) Finance income and finance costs:

Finance income is recognized as it accrues in profit or loss, using the effective interest method. Finance income comprises interest earned on cash. Finance costs comprise interest expense on borrowings and net interest expense on post-employment benefits. Finance costs are recognized in profit or loss unless they are capitalized as part of the cost of qualifying assets.

(m) Payments in lieu of tax expense:

The payments in lieu of tax expense comprises current and deferred tax. Payments in lieu of tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case, it is recognized in equity. The Corporation is currently exempt from taxes under the Income Tax Act (Canada) and the Ontario Corporations Tax Act (collectively the "Tax Acts"). Under the Electricity Act, 1998, the Corporation makes payments in lieu of corporate taxes to the Ontario Electricity Financial Corporation ("OEFC"). These payments are calculated in accordance with the rules for computing taxable income and taxable capital and other relevant amounts contained in the Tax Acts as modified by the Electricity Act, 1998, and related regulations. Prior to October 1, 2001, the Corporation was not subject to income or capital taxes.

Payments in lieu of taxes are referred to as income taxes.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax is recognized in respect of temporary differences between the tax basis of assets and liabilities and their carrying amounts for accounting purposes. Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are
expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted, at the reporting date.

3. Changes to accounting policies:

The International Accounting Standards Board ("IASB") has issued the following Standards, Interpretations and Amendments to Standards that were adopted by the Corporation effective January 1, 2025. The amendments and clarifications did not have an impact on the financial statements.

(a) Lack of Exchangeability- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates.

Emerging accounting changes:

At the date of authorization of these financial statements, several new, but not yet effective Standards and amendments to existing Standards and interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early by the Corporation and it is still to be determined if any will have a material impact on the

Corporation's financial statements.
Effective date New accounting standards or amendments
January 1, 2027 IFRS 18 Presentation and Disclosure in Financial Statements
January 1, 2027 IFRS 19 Subsidiaries without Public Accountability:
Disclosures
IAS21 The Effects of Changes in Foreign Exchange Rates
January 1, 2027 IFRS for SMES third edition
January 1, 2026 Classification and Measurement of Financial Instruments -
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial
Instruments: Disclosures
January 1, 2027 Annual improvements to IFRS Accounting Standards - Volume 11
January 1, 2027 Contracts Referencing Nature-dependent Electricity -
Amendments
to IFRS 9 and IFRS 7
Available for optional Sale or Contribution of Assets between an Investor and
its deferred
Adoption indefinitely Associate or Joint Venture - Amendments to IFRS 10
and IAS 28

4. Accounts receivable:

	2025	2024
Trade customer accounts receivable	$ 8,658	$ 6,558
Other receivables	2,187	2,982
Due from related parties (note 19)	2,914	1,798
	$ 13,759	$ 11,338

5. Post-employment benefits:
(a) OMERS pension plan:

The Corporation provides a pension plan for its employees through OMERS. The plan is a multi-employer, contributory defined benefit pension plan with equal contributions by the employer and its employees. In 2025, the Corporation made employer contributions of $748 to OMERS (2024 - $680) which has been recognized in profit or loss. The Corporation estimates that a contribution of $804 to OMERS will be made during the next fiscal year.

As at December 31, 2025, OMERS had approximately 665,000 members, of whom 63 are current employees of the Corporation. The most recently available OMERS annual report is for the year ended December 31, 2025, which reported that the plan was 99% funded, with an unfunded liability of $1.3 billion. This unfunded liability may result in extra future payments by participating employers and members.

5. Post-employment benefits (continued):
(b) Defined pension and benefits plan:

The Corporation pays certain medical and life insurance benefits on behalf of some of its retired employees. The Corporation recognizes these post-employment benefits in the year in which employees' services were rendered. The Corporation is recovering its postemployment benefits in rates based on the expense and remeasurements recognized for post-employment benefit plans.

Reconciliation of the obligation	2025	2024
Defined benefit obligation, beginning of year	$ 188	$ 172
Included in profit or loss:		
Current service cost	15	16
Interest cost	9	9
	24	25
Included in OCI		
Actuarial losses arising from:		
Changes in financial assumptions	(8)	(9)
	$ 204	$ 188

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Actuarial assumptions 2025 2024
Discount (interest) rate 4.70 % 4.70 %
Salary levels 3.10 % 3.10 %
Medical costs 5.50 % 5.50 %
Dental costs 4.00 % 4.00 %

A 1% increase in the assumed discount rate would result in the defined benefit obligation decreasing by $20. A 1% decrease in the assumed discount rate would result in the defined benefit obligation increasing by $25.

6. Property, plant and equipment:
Land and
buildings
Distribution
equipment
Other fixed
assets
Constructionin-
progress Total
Cost of deemed cost
Balance at January 1, 2025 $ 15,185 $ 163,215 $ 9,436 $ 12,511 $ 200,347
Additions/Transfers 39 30,984 609 3,166 34,798
Disposals/ retirements - (141) (223) - (364)
Balance at December 31, 2025 $ 15,224 $ 194,058 $ 9,822 $ 15,677 $ 234,781
Balance at January 1, 2024 $ 15,088 $ 134,251 $ 8,416 $ 8,375 $ 166,130
Additions/Transfers 97 29,070 1,054 4,136 34,357
Disposals/ retirements - (106) (34) - (140)
Balance at December 31, 2024 $ 15,185 $ 163,215 $ 9,436 $ 12,511 $ 200,347
Accumulated depreciation
Balance at January 1, 2025 $ 2,691 $ 23,350 $ 5,506 $ - $ 31,547
Depreciation 291 4,582 925 - 5,798
Disposals - (76) (173) - (249)
Balance at December 31, 2025 $ 2,982 $ 27,856 $ 6,258 $ - $ 37,096
Balance at January 1, 2024 $ 2,401 $ 19,488 $ 4,698 $ - $ 26,587
Depreciation 290 3,922 808 - 5,020
Disposals - (60) - - (60)
Balance at December 31, 2024 $ 2,691 $ 23,350 $ 5,506 $ - $ 31,547
Carrying amounts
At December 31, 2025 $ 12,242 $ 166,202 $ 3,564 $ 15,677 $ 197,685
At December 31, 2024 12,494 139,865 3,930 12,511 168,800

7. Intangible assets:
Computer
software Land rights
Contribution
assets Total
Cost of deemed cost
Balance at January 1, 2025 $ 1,992 $ 402 $ 8,124 $ 10,518
Additions 228 - 5,464 5,692
Balance at December 31, 2025 $ 2,220 $ 402 $ 13,588 $ 16,210
Balance at January 1, 2024 $ 1,927 $ 397 $ 4,118 $ 6,442
Additions 65 5 4,006 4,076
Balance at December 31, 2024 $ 1,992 $ 402 $ 8,124 $ 10,518
Accumulated amortization
Balance at January 1, 2025 $ 1,811 $ 143 $ 334 $ 2,288
Amortization 161 13 431 605
Balance at December 31, 2025 $ 1,972 $ 156 $ 765 $ 2,893
Balance at January 1, 2024 $ 1,619 $ 130 $ 83 $ 1,832
Amortization 192 13 251 456

Balance at December 31, 2024 $ 1,811 $ 143 $ 334 $ 2,288
Carrying amounts
At December 31, 2025 $ 248 $ 246 $ 12,823 $ 13,317
At December 31, 2024 181 259 7,790 8,230
8. Leases:
Right-of-use Asset Vehicle Leases
Cost of deemed cost
Balance at January 1, 2025 $ 76
Disposals (76)
Balance at December 31, 2025 $ -
Balance at January 1, 2024 $ 141
Deletions (65)
Balance at December 31, 2024 $ 76
Accumulated amortization
Balance at January 1, 2025 $ 68
Amortization 8
Disposals (76)
Balance at December 31, 2025 $ -
Balance at January 1, 2024 $ 60
Amortization 48
Deletions (40)
Balance at December 31, 2024 $ 68
Carrying amounts
At December 31, 2025 $ -
At December 31, 2024 8
8. Leases (continued):
Lease Liability Vehicle Leases
Balance at January 1, 2025 $ 34
Repayments (34)
Balance at December 31, 2025 $ -
Balance at January 1, 2024 $ 81
Repayments (50)
Interest 3
Balance at December 31, 2024 $ 34

Lease liabilities include a current portion of $nil (2024 - $34). Certain leases held by the Corporation provide the Corporation with extension options and termination options that may impact the term of the Lease which can impact the finance lease liability recognized in the statement of financial position. The Corporation has determined the lease term for all contracts based on all available information as at the reporting date.

9. Regulatory account balances:
Reconciliation of the carrying amount for each class of regulatory balances:
Regulatory deferral
account debit balances
January 1,
2025 Additions
Recovery/
reversal
December 31,
2025
Remaining
recovery/
reversal years
Retail settlement
variances $ 4,826 $ 543 $ (3,405) $ 1,964 2-3
Regulatory asset

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associated with
deferred taxes 6,268 733 - 7,001 -
Regulatory variances
disposition (62) 554 - 492 -
Other (84) 354 - 270 1-3
$ 10,948 $ 2,184 $ (3,405) $ 9,727
9. Regulatory account balances (continued):
Regulatory deferral
account debit balances
January 1,
2024 Additions
Recovery/
reversal
December 31,
2024
Remaining
recovery/
reversal years
Retail settlement
variances $ 7,222 $ 908 $ (3,304) $ 4,826 2-3
Regulatory asset
associated with
deferred taxes 5,448 820 - 6,268 -
Regulatory variances
disposition - - (62) (62) -
Other 106 22 (212) (84) 1-3
$ 12,776 $ 1,750 $ (3,578) $ 10,948
Regulatory deferral
account credit
balances
January 1,
2025 Additions
Recovery/
reversal
December 31,
2025
Remaining
recovery/
reversal years
Retail settlement
variances $ 83 $ 809 $ (33) $ 859 2-3
Deferred income tax on
regulatory asset 1,675 181 - 1,856 -
Regulatory variances
disposition 167 264 - 431 -
Other (161) 166 - 5 1-3
$ 1,764 $ 1,420 $ (33) $ 3,151
Regulatory deferral
account credit
balances
January 1,
2024 Additions
Recovery/
reversal
December 31,
2024

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Remaining
recovery/
reversal years
Retail settlement
variances $ 107 $ - $ (24) $ 83 2-3
Deferred income tax on
regulatory asset 1,455 220 - 1,675 -
Regulatory variances
disposition 167 - - 167
Other 1,309 5 (1,475) (161) -
$ 3,038 $ 225 $ (1,499) $ 1,764

9. Regulatory account balances (continued):

For 2025, the net movement in regulatory deferred account balances net of taxes of $803 consists of the regulatory deferred tax expense of $552, the difference between the Power Purchased and the Sale of Electricity of $164, and approximately $87 in other carrying charges

For 2024, the net movement in regulatory deferred account balances net of taxes of $1,694
consists of the regulatory deferred tax expense of $600, the difference between the Power Purchased and the Sale of Electricity of $851, and approximately $243 in other carrying charges.

The regulatory balances are recovered or settled through rates approved by the OEB which are determined using estimates of future consumption of electricity by its customers. Future consumption is impacted by various factors including the economy and weather. The Corporation has received approval from the OEB to establish its regulatory balances. Settlement of the Group 1 deferral accounts is done on an annual basis through application to the OEB. The OEB requires the Corporation to estimate its income taxes when it files a COS
application to set its rates. As a result, the Corporation has recognized a regulatory deferral account for the amount of deferred taxes that will ultimately be recovered from/paid back to its customers. This balance will fluctuate as the Corporation's deferred tax balance fluctuates. Regulatory deferral accounts attract interest at OEB prescribed rates, which was 3.64% from January 1 to March 31, 2025, 3.16% from April 1 to June 30, 2025, 2.91% from July 1 to September 30, 2025, and 2.91% from October 1 to December 31, 2025.

10. Accounts payable and accrued liabilities:
2025 2024
Power purchases $ 3,942 $ 3,342
Trade payables 7,406 8,026
Due to related parties (note 19) 4,094 3,444
Other 1,487 535
$ 16,929 $ 15,347

11. Long-term debt:
2025 2024
Term loan, interest at 1.92%, payable in monthly
installments. Amortization maturity: October 29, 2030.
Contract maturity: October 29, 2025, renewable $ - $ 782
Term loan, interest at 5.27%, payable in monthly
installments. Amortization maturity: September 7,
2037; Contract maturity: September 7, 2032,
renewable 2,396 2,540
Term loan, interest at 3.68%, payable in monthly
instalments. Amortization maturity: January 9, 2045.
Contract maturity: January 9, 2025, renewable - 1,566

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Term loan, interest at 2.88%, payable in monthly
installments. Amortization maturity: June 26, 2045.
Contract maturity: June 26, 2025, renewable - 9,391
Term loan, interest at 3.48%, payable in monthly
installments. Amortization maturity: February 14, 2046.
Contract maturity: February 14, 2026, renewable 2,302 2,380
Term loan, interest at 3.60%, payable in monthly
installments. Amortization maturity: January 28, 2047.
Contract maturity: January 28, 2027, renewable 2,496 2,574
Term loan, interest at 4.09%, payable in monthly
Installments. Amortization maturity: March 26, 2048.
Contract maturity: March 26, 2028, renewable 1,431 1,469
Term loan, interest at 3.28%, payable in monthly
installments. Amortization maturity: August 26, 2049.
Contract maturity: August 26, 2029, renewable 2,065 2,121
Term loan, interest at 6.29%, payable in monthly
installments. Amortization maturity: November 1, 2053.
Contract maturity: November 1, 2025, renewable - 3,951
Term loan, interest at 5.55%, payable in monthly
installments. Amortization maturity: December 14,
2043. Contract maturity: December 14, 2025,
renewable - 3,948
Term loan, interest at 4.59%, payable in monthly
installments, Amortization maturity: December 24,
2047. Contract maturity: December 23, 2030,
renewable 16,603 17,032
Carried forward 27,293 47,754
11. Long-term debt (continued):
2025 2024
Carried forward 27,293 47,754
Term loan, interest at 4.45%, payable in monthly
installments. Amortization maturity: October 30, 2030.
Contract maturity: October 30, 2030 653 -
Term loan, interest at 4.45%, payable in monthly
installments. Amortization maturity: August 9,2025.
Contract maturity: September 7, 2030, renewable 1,956 -
Term loan, interest at 4.45%, payable in monthly
installments. Amortization maturity: January 9, 2049.
Contract maturity: May 15, 2035, renewable 3,891 -
Term loan, interest at 4.45%, payable in monthly
installments. Amortization maturity: January 1, 2053.
Contract maturity: November 1, 2030, renewable 3,894 -
Term loan, interest at 4.45%, payable in monthly
installments. Amortization maturity: January 1, 2053.
Contract maturity: June 19, 2030, renewable 9,834 -
Term loan, interest at 4.45%, payable in monthly
installments. Amortization maturity: July 19, 2055.
Contract maturity: June 26, 2035, renewable 8,991 -
Term loan, interest at 4.45%, payable in monthly
installments. Amortization maturity: February 25, 2050.
Contract maturity: May 16, 2035, renewable 1,504 -
Term loan, interest at 4.45%, payable in monthly
installments. Amortization maturity: August 9 2055.
Contract maturity: May 16, 2035, renewable 3,912 -
61,928 47,754
Less current portion of long-term debt 4,568 37,063

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$ 57,360 $ 10,691

The bank term loans holds as security a general security agreement representing a first charge on all assets and undertakings of the Corporation. The agreement with respect to the bank term loans contain certain covenants regarding (i) regulatory compliance, (ii) reporting, (iii) change in status of business, (iv) change in ownership, and (v) limitations on additional debt and encumbrance of assets.

11. Long-term debt (continued):

The agreement with bank also contains financial covenants that require the Corporation to maintain a maximum debt to capital ratio of 0.60 to 1 and a minimum debt service coverage ratio of 1.20x to be tested and calculated on a quarterly basis. The Corporation was in compliance of the covenants as at December 31, 2025.

Principal payment due in each of the next five years are as follows:
2026 $ 4,568
2027 4,633
2028 3,560
2029 4,064
2030 26,121
Thereafter 18,982
$ 61,928

As of December 31, 2025, the Corporation has a bank overdraft of $nil (2024 - $828). Bank overdrafts are repayable on demand and form an integral part of the Corporation's cash management. Interest accrues daily at Prime less 1.90%.

12. Contributions in aid of construction:
2025 2024
Contributions in aid of construction, beginning of year $ 74,773 $ 56,147
Contributions received 21,462 20,380
Amortization (2,194) (1,754)
Contributions in aid of construction, end of year $ 94,041 $ 74,773

13. Share capital:
2025 2024
Authorized:
Unlimited number of common shares
Unlimited number of preferred shares
Issued:
1,000 common shares, no par value $ 10,852 $ 10,852
On April 28, 2025, a dividend totalling $ 500 was declared.
On April 20, 2026, a dividend totalling $ 500 was declared.

14. Payments in lieu of tax expense:
Payments in lieu of tax expense:
2025 2024
Current tax expense (recovery) $ 201 $ (103)
Deferred tax expense (536) (604)
Payments in lieu of tax expense $ (335) $ (707)

14. Payments in lieu of tax expense (continued):
Reconciliation of effective tax rate:
2025 2024
Income before payments in lieu of tax and net movement in regulatory $ 1,503 $ 1,628
Net movement in regulatory, net of tax 803 1,694
Deduct: Tax in net movement in regulatory (552) (600)
Income before payments in lieu of tax $ 1,754 $ 2,722
Statutory tax rates 26.5 % 26.5 %
Expected tax provision on income at statutory rates 409 721
Increase (decrease) in taxes resulting from:

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Permanent differences 3 1
Other (1) (2)
Adjustment for prior years (76) (13)
Payments in lieu of tax expense $ 335 $ 707
Significant components of the Corporation's deferred tax balances:
2025 2024
Deferred tax assets (liabilities):
Property, plant and equipment $ (5,247) $ (4,658)
Post-employment benefits 54 50
Tax credits 47 -
$ (5,146) $ (4,608)
15. Other revenue:
2025 2024
Collection and other service charges $ 363 $ 308
Related party billing and other services 1,781 1,738
Related party billing and other services expenses (1,778) (1,276)
Rent 613 518
Thermal and gas billing and other services 32 60
Recognition of contributions in aid of construction 2,194 1,754
Other 465 984
Total other revenue $ 3,670 $ 4,086
Related party revenue has been disclosed in note 19 and is included within
the above categories based on the type of revenue.
16. Expenses by nature:
2025 2024
Salaries, wages and benefits (Note 19 (d)) $ 5,937 $ 6,345
CPP and EI remittances 545 457
Contributions to OMERS 748 680
Less amounts capitalized (2,927) (2,699)
$ 4,303 $ 4,783
16. Expenses by nature (continued):
Operating expenses
2025 2024
Employee salaries and benefits $ 4,303 $ 4,783
Subcontractor costs 1,652 1,477
Repairs, maintenance and tooling 926 929
Professional fees 423 166
Other taxes 198 201
Insurance 335 208
Depreciation 442 427
Other general administration 923 1,116
$ 9,202 $ 9,307
17. Finance income and costs:
2025 2024
Finance income:
Interest income on bank deposits $ 126 $ 93
Finance costs:
Interest expense on long-term debt (2,511) (2,031)
Interest expense on customer deposits (31) (48)
Other (64) (34)
Interest expense on lease liability - (2)
(2,606) (2,115)
Net finance costs recognized in profit or loss $ (2,480) $ (2,022)
18. Commitments and contingencies:
General Liability Insurance:
The Corporation is a member of the Municipal Electric Association Reciprocal

Insurance Exchange ("MEARIE"). MEARIE is a pooling of public liability insurance risks of many of the LDCs in Ontario. All members of the pool are subjected to assessment for losses experienced by the pool for the years in which they were members, on a pro-rata basis based on the total of their respective service revenues. As at December 31, 2025, no assessments have been made.

19. Related party transactions:

(a) Parents and ultimate controlling party:

The sole shareholder of the Corporation is the Town of Innisfil. The Town produces consolidated financial statements that are available for public use.

(b) Outstanding balances with related parties:

2025 2024
Town of Innisfil - receivable $ 260 $ 507
Town of Innisfil - payable (6) -
InnServices Utilities Inc. - receivable 1,399 578
InnServices Utilities Inc. - payable (4,088) (3,444)
InnTerprises Inc. - receivable 1,255 713
InnServics Utilities Inc.- deposit (1,301) -
$ (2,481) $ (1,646)

(c) Transactions with related parties:

The Corporation delivers electricity to the Town throughout the year for the electricity needs of the Town and its related organizations. Electricity delivery charges are at prices and under terms approved by the OEB.

The Corporation also provides electricity and other services, including water and wastewater billing and collection, to InnServices Utilities Inc, an affiliate company. Electricity delivery charges are at prices and under terms approved by the OEB. Revenue includes $1,828 (2024 - $1,082) from InnServices Utilities Inc. for financial, billing and other services. The Corporation is provided water and wastewater services and recoverable works from InnServices Utilities Inc throughout the year. Services billed during the year were $6 (2024 - $7) for water and wastewater services, and $394 (2024 - $357) for recoverable work orders.

19. Related party transactions (continued):

(c) Transactions with related parties (continued):

The Corporation also provides billing and financial services to InnTerprises Inc., an affiliate company. Charges for these services during the year were $150 (2024 - $129).

(d) Key management personnel:

The key management personnel of the Corporation have been defined as members of its board of directors and executive management team members. The compensation paid or payable is as follows:

2025 2024
Directors' fees $ 72 $ 55
Salaries and other benefits 629 664
$ 701 $ 719

20. Financial instruments and risk management:

Fair value disclosure:

The carrying values of cash, accounts receivable, unbilled revenue, due from/to related parties and accounts payable and accrued liabilities approximate fair value because of the short maturity of these instruments. The carrying value of the customer deposits approximates fair value because the amounts are payable on demand.

The fair value of the long-term debt at December 31, 2025 is $61,480 (2024 -

$47,755). The fair value is calculated based on the present value of future principal and interest cash flows, discounted at the current rate of interest at the reporting date.

Financial risks:

The Corporation understands the risks inherent in its business and defines them broadly as anything that could impact its ability to achieve its strategic objectives. The Corporation's exposure to a variety of risks such as credit risk, interest rate risk, and liquidity risk, as well as related mitigation strategies are discussed below.

20. Financial instruments and risk management (continued):

(a) Credit risk:

Financial assets carry credit risk that a counterparty will fail to discharge an obligation which could result in a financial loss. Financial assets held by the Corporation, such as accounts receivable, expose it to credit risk.

The Corporation earns its revenue from a broad base of customers located in the Town of Innisfil and South Barrie. As at December 31, 2025, no single customer accounts for a balance in excess of 10% of total accounts receivable (2024 - nil).

The carrying amount of accounts receivable is reduced through the use of an allowance for impairment and the amount of the related impairment loss is recognized in profit or loss. Subsequent recoveries of receivables previously provisioned are credited to profit or loss.

The balance of the allowance for impairment at December 31, 2025 is $264 (2024 - $140).

An impairment loss of $124 (2024 - $182) was recognized during the year.

The Corporation's credit risk associated with accounts receivable is primarily related to payments from distribution customers. At December 31, 2025, approximately $244 (2024 - $327) is considered 90 days past due. The Corporation has over 20,000 customers, the majority of whom are residential.

Credit risk is managed through collection of security deposits from customers in accordance with directions provided by the OEB and through credit insurance. As at December 31, 2025, the Corporation holds security deposits in the amount of $39 (2024 - $39).

(b) Market risk:

Market risks primarily refer to the risk of loss resulting from changes in commodity prices, foreign exchange rates, and interest rates. The Corporation currently does not have any material commodity or foreign exchange risk. The Corporation is exposed to fluctuations in interest rates as the regulated rate of return for the Corporation's distribution business is derived using a complex formulaic approach which is in part based on the forecast for long term Government of Canada bond yields. This rate of return is approved by the OEB as part of the approval of distribution rates.

A 1% increase in the interest rate at December 31, 2025, would have increased interest expense on the long-term debt by $619, assuming all other variables remain constant. A 1% decrease in the interest rate would have an equal but opposite effect.

20. Financial instruments and risk management (continued):

(c) Liquidity risk:

The Corporation monitors its liquidity risk to ensure access to sufficient

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Notes to the financial statements

funds to meet operational and investing requirements. The Corporation's objective is to ensure that sufficient liquidity is on hand to meet obligations as they fall due while minimizing interest exposure. The Corporation has access to a $8,000 line of credit facility and monitors cash balances daily to ensure that a sufficient level of liquidity is on hand to meet financial commitments as they become due. As at December 31, 2025, $nil had been drawn under the Corporation's credit facility (2024 - $nil), however the availability is reduced by $1,344 letter of credit with the IESO and a $1,130 letter of credit with Hydro One.

The Corporation also has an undrawn fixed-term loan of $4,000 to finance capital expenditures.

The majority of accounts payable, as reported on the statement of financial position, are due within 30 days.

(d) Capital disclosures:

The main objectives of the Corporation, when managing capital, are to ensure ongoing access to funding to maintain and improve the electricity distribution system, compliance with covenants related to its credit facilities, prudent management of its capital structure with regard for recoveries of financing charges permitted by the OEB on its regulated electricity distribution business, and to deliver the appropriate financial returns.

The Corporation's definition of capital includes shareholder's equity and long-term debt. As at December 31, 2025, shareholder's equity amounts to $38,869 (2024 - $37,392) and long-term debt amounts to $57,360 (2024 - $46,305).

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Net Income (Loss) for Income Tax Purposes

Schedule 1

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	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			1,977,000	A1
Net income (loss) after extraordinary items from line 110 of Schedule 150			0	A2
Total			1,977,000	A

Add:

Provision for income taxes – current	101	-201,000		
Provision for income taxes – deferred	102	536,000		
Interest and penalties on taxes	103	1,909		
Amortization of tangible assets	104	5,969,000		
Loss on disposal of assets	111	19,000		
Non-deductible meals and entertainment expenses	121	8,462		
Reserves from financial statements – balance at the end of the year	126	204,377		
Subtotal of additions		6,537,748 ▶	6,537,748	

Add:

Other additions:

	1 Description 605	2 Amount 295
1	Inducement under 12(1)(x) ITA	21,473,750
2	Customer Deposits - paragraph 20(1)(a)	34,815,000
3	Amortization of Capital Lease	8,000
4	Amortization expensed in distribution expenses	437,220
5	Tax component of gain in OCI	2,226
	Total of column 2	56,736,196 ▶

	296	56,736,196		
Subtotal of other additions	199	56,736,196 ▶	56,736,196	D
Total additions	500	63,273,944 ▶	63,273,944	
Amount A **plus** line 500			65,250,944	B

Deduct:

Capital cost allowance from Schedule 8	403	6,953,819	
Reserves from financial statements – balance at the beginning of the year	414	187,514	
Subtotal of deductions		7,141,333 ▶	7,141,333

Deduct:

Other deductions:

	1 Description 705	2 Amount 395
1	13(7.4) electon re contributed capital	21,462,000
2	Capital Lease payments	34,000
3	Customer Deposits - paragraph 20(1)(m)	34,815,000
4	Amortization of deferred contribution	2,194,271

	1 Description 705	2 Amount 395
5	Tax movement in reg. account	552,000
6	SR&ED expenditures capitalized for accounting	0

Total of column 2 59,057,271 ▶ **396** 59,057,271

Subtotal of other deductions **499** 59,057,271 ▶ 59,057,271 E

Total deductions **510** 66,198,604 ▶ 66,198,604

Net income (loss) for income tax purposes (amount B **minus** line 510) . . . . -947,660 C

Enter amount C on line 300 of the T2 return.

Inducement

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

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

Tax credits whose amount should be added to income

Ontario

A		
☒	Portion of the Ontario research and development tax credit that relates to the prescribed proxy amount (PPA) and portion of the Ontario investment tax credit that relates to contributions made to SR&ED farming organizations	
☒	Ontario co-operative education tax credit	11,750
☐	Ontario computer animation and special effects tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
☐	Ontario film and television tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
☐	Ontario production services tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
☐	Ontario interactive digital media tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
☐	Ontario book publishing tax credit	
☐	Portion of the Ontario innovation tax credit that relates to the prescribed proxy amount (PPA) and portion of the Ontario investment tax credit that relates to contributions made to SR&ED farming organizations	
☐	Ontario business-research institute tax credit	
☐	Ontario community food program donation tax credit for farmers	

Other amounts

A		
☒	Contributed capital for fixed assets	21,462,000
	Total	21,462,000

Tax credits whose amount should reduce the capital cost of property

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Schedule 3

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

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2025-12-31

- Corporations must use this schedule to report:
  - non-taxable dividends under section 83
  - deductible dividends under subsection 138(6)
  - dividends deductible from taxable income under section 112, subsections 113(2) and 138(6), and paragraphs 113(1)(a), (a.1), (b), (c) or (d)
  - taxable dividends paid in the tax year that qualify for a dividend refund (see page 3)
- All legislative references are to the federal Income Tax Act.
- The calculations in this schedule apply only to private or subject corporations (as defined in subsection 186(3)).
- A payer corporation is **connected** with a recipient corporation at any time in a tax year, if at that time the recipient corporation meets either of the following conditions:
  - it controls the payer corporation, other than because of a right referred to in paragraph 251(5)(b)
  - it owns more than 10% of the issued share capital (with full voting rights), and shares that have a fair market value of more than 10% of the fair market value of all shares of the payer corporation
- If you need more space, continue on a separate schedule.
- File this schedule with your T2 Corporation Income Tax Return.
- Column A.1 – Enter "X" if dividends were received from a foreign source.
  Column G.1 – Enter the code that applies to the deductible taxable dividend.

Part 1 – Dividends received in the tax year

- Do **not** include dividends received from foreign non-affiliates.
- Complete columns B, C, D, G, G.1, J, J.1, J.2 and M **only if** the payer corporation is **connected**.

Important instructions to follow if the payer corporation is connected

- If your corporation's tax year-end is different than that of the **connected** payer corporation, dividends could have been received from more than one tax year of the payer corporation. If so, **use a separate line** to provide the information according to each tax year of the payer corporation.
- When completing columns K, L and M use the **special calculations provided in the notes**.

A Name of payer corporation (from which the corporation received the dividend) 200	A.1	B Enter 1 if payer corporation is **connected** 205	C Business number of **connected** corporation 210	D Tax year-end of the payer corporation in which the sections 112/113 and subsection 138(6) dividends reported under column 240 were paid YYYYMMDD 220	E Non-taxable dividends under section 83 230
				Total of column E (enter amount on line 402 of Schedule 1)	

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

F Taxable dividends deductible from income under paragraph 113(1)(c) 235	G Taxable dividends deductible from taxable income under section 112, subsections 113(2) and 138(6), and paragraphs 113(1) (a), (a.1), (b), or (d) [1] 240	G.1	H Eligible dividends included under column 240 242	I Total taxable dividends paid by the **connected** payer corporation (for tax year in column D) 250	I.1 Total eligible dividends paid by the **connected** payer corporation (line 465 in Schedule 3 for the tax year in column D)

J Dividend refund of the **connected** payer corporation (for tax year in column D) [2] 260	J.1 Eligible dividend refund of the **connected** payer corporation from its eligible refundable dividend tax on hand (ERDTOH) (amount CC from T2 return for the tax year in column D)	J.2 Additional non-eligible dividend refund of the **connected** payer corporation from its ERDTOH (amount II from T2 return for the tax year in column D)	K Part IV tax for eligible dividends. Dividends (from column H) **multiplied** by 38 1/3% [3] 265	L Part IV tax before deductions. Dividends (from column G) **multiplied** by 38 1/3% [4] 275	M Part IV tax before deductions on taxable dividends received from **connected** corporations [5] 280

Total of column M (enter amount on line 2E in Part 2)

Total taxable dividends deductible reported under column 235 . . . . 1A

Total taxable dividends deductible reported under column 240 . . . . 1B

Subtotal (amount 1A **plus** amount 1B, include this amount on line 320 of the T2 return) 1C

Eligible dividends received from connected corporations (total amounts from column H with code 1 in column B) 1D

Eligible dividends received from non-connected corporations (total amounts from column H with no code in column B) 1E

Part IV tax before deductions on taxable dividends received from connected corporations (total amounts from column L with code 1 in column B) 1F

Part IV tax before deductions on taxable dividends received from non-connected corporations (total amounts from column L with no code in column B) 1G

Subtotal (amount 1F **plus** amount 1G) ▶ 1H

Part IV tax on eligible dividends received from connected corporations (total amounts from column K with code 1 in column B) 1I

Part IV tax on eligible dividends received from non-connected corporations (total amounts from column K with no code in column B) 1J

Subtotal (amount 1I **plus** amount 1J) ▶ 1K

Part IV tax before deductions on taxable dividends (other than eligible dividends) (amount 1H **minus** amount 1K) 1L

[1] If taxable dividends are received, enter the amount in column G, but if the corporation is not subject to Part IV tax (such as a public corporation other than a subject corporation as defined in subsection 186(3)), enter "0" in column L (and column K, if applicable). Life insurers are not subject to Part IV tax on subsection 138(6) dividends.

[2] If the **connected** payer corporation's tax year ends after the corporation's balance-due day for the tax year (two or three months, as applicable), you have to estimate the payer's dividend refund when you calculate the corporation's Part IV tax payable.

[3] For eligible dividends received from **connected** corporations, Part IV tax on dividends is equal to column J **divided** by column I **multiplied** by column H.

[4] For taxable dividends received from **connected** corporations, Part IV tax on dividends is equal to column J **divided** by column I **multiplied** by column G.

[5] For the purpose of calculating your eligible refundable dividend tax on hand (ERDTOH), Part IV tax on taxable dividends received from **connected** corporations (with a tax year starting after 2018) is equal to the sum of Part IV tax on eligible dividends and non-eligible dividends received from **connected** corporations to the extent that such dividends caused a dividend refund to those corporations from their ERDTOH.

Part IV tax before deductions on taxable dividends received from **connected** corporations for purposes of column M is the lesser of the Part IV tax applicable to such taxable dividends and the sum of (i) and (ii), where

(i) Part IV tax on eligible dividends received from **connected** corporations is equal to amount CC of the **connected** payer corporation (on page 7 of the T2 return) **divided** by line 465 of the **connected** payer corporation, **multiplied** by column H; and

(ii) Part IV tax on non-eligible dividends received from **connected** corporations is equal to amount II of the **connected** payer corporation (on page 7 of the T2 return) **divided** by line 470 of the **connected** payer corporation, **multiplied** by the difference between columns G and H.

Part 2 – Calculation of Part IV tax payable

Is your corporation an exempt corporation for the purposes of Part IV tax as per subsection 186.1(b)(ii) or (vii) of the Act? **100** ☐ Yes ☐ No

If **yes**, proceed to Part 3.

If **no**, complete the rest of Part 2.

Part IV tax on dividends received before deductions (amount 1H in part 1) ______ 2A

Part IV.I tax payable on dividends subject to Part IV tax (from line 360 of Schedule 43) **320** ______

Subtotal (amount 2A **minus** line 320) ______ ▶ ______ 2B

Current-year non-capital loss claimed to reduce Part IV tax **330** ______

Non-capital losses from previous years claimed to reduce Part IV tax **335** ______

Current-year farm loss claimed to reduce Part IV tax **340** ______

Farm losses from previous years claimed to reduce Part IV tax **345** ______

Total losses applied against Part IV tax (total of lines 330 to 345) ______ 2C

Amount 2C **multiplied** by 38 1 / 3 % ______ 2D

Part IV tax payable (amount 2B **minus** amount 2D, if negative enter "0") **360** ______
(enter amount on line 712 of the T2 return)

If your tax year begins after 2018, complete the following part to determine the required amount of Part IV taxes payable in order to calculate the eligible refundable dividend tax on hand (ERDTOH) at the end of the tax year.

Part IV tax before deductions on taxable dividends received from connected corporations (total of column M in part 1) ______ 2E

Amount 4A from Schedule 43 ______ 2F

Part IV tax payable on taxable dividends received from connected corporations
(amount 2E **minus** amount 2F, if negative enter "0") ______ 2G
(enter at amount C on page 7 of the T2 return)

Part IV tax on eligible dividends received from non-connected corporations (amount 1J in part 1) ______ 2H

Amount 4C from Schedule 43 ______ 2I

Part IV tax payable on taxable dividends received from non-connected corporations
(amount 2H **minus** amount 2I, if negative enter "0") ______ 2J
(enter at amount D on page 7 of the T2 return)

Part 3 – Taxable dividends paid in the tax year that qualify for a dividend refund

If your corporation's tax year-end is different than that of the recipient corporation with which you are connected, your corporation could have paid dividends in more than one tax year of the recipient corporation. If so, use a separate line to provide the information according to each tax year of the recipient corporation.

	N Name of recipient corporation with which you are connected **400**	O Business number **410**	P Tax year-end of recipient corporation in which the dividends reported under column 430 were received YYYYMMDD **420**	Q Taxable dividends paid to recipient corporations with which you are connected **430**	R Eligible dividends included under column 430 **440**
1	Town of Innisfil	12194 7188 RC0001	2025-12-31	500,000	
				500,000 (Total of column Q)	(Total of column R)

Part 3 – Taxable dividends paid in the tax year that qualify for a dividend refund (continued)

Total taxable dividends paid in the tax year to other than connected corporations			450	
Eligible dividends included in line 450	455			
Total taxable dividends paid in the tax year that qualify for a dividend refund (total of column Q **plus** line 450)			460	500,000
Total eligible dividends paid in the tax year (total of column R **plus** line 455)			465	
Total non-eligible taxable dividends paid in the tax year (line 460 **minus** line 465)			470	500,000

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

Line 465 **multiplied** by 38 1 / 3 % (enter at amount AA on page 7 of the T2 return)		3A
Line 470 **multiplied** by 38 1 / 3 % (enter at amount DD on page 7 of the T2 return)	191,667	3B

Part 4 – Total dividends paid in the tax year

Complete this part **if** the total taxable dividends paid in the tax year that qualify for a dividend refund (line 460) is different from the total dividends paid in the tax year.

Total taxable dividends paid in the tax year for the purposes of a dividend refund (from above)				500,000	
Other dividends paid in the tax year (total of 510 to 540)					
Total dividends paid in the tax year			500	500,000	
Dividends paid out of capital dividend account	510				
Capital gains dividends	520				
Dividends paid on shares described in subsection 129(1.2)	530				
Taxable dividends paid to a controlling corporation that was bankrupt at any time in the year	540				
Subtotal (total of lines 510 to 540)			►		4A
Total taxable dividends paid in the tax year that qualify for a dividend refund (line 500 **minus** amount 4A)				500,000	4B

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Schedule 4

Corporation Loss Continuity and Application

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	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			-947,660	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")			-947,660	1I
Section 110.5 or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions				1J
Subtotal (amount 1I **minus** amount 1J)			-947,660	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")			-947,660	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			1N		
Non-capital loss expired [1]	100				
Non-capital losses at the beginning of the tax year (amount 1N **minus** line 100)	102		▶		
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	947,660			
Subtotal (line 105 **plus** line 110)		947,660	▶	947,660	1O
Subtotal (line 102 **plus** amount 1O)				947,660	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				
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)			▶		1Q
Non-capital losses before any request for a carryback (amount 1P **minus** amount 1Q)				947,660	1R

Request to carry back non-capital loss to:

First previous tax year to reduce taxable income	901	947,660			
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)		947,660	▶	947,660	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** ________

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[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** ________

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[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.

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[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		Balance at end of year
					Taxable income	Part IV tax	
Current	N/A	947,660		947,660	N/A		
1st preceding taxation year 2024-12-31		N/A		N/A			
2nd preceding taxation year 2023-12-31		N/A		N/A			
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		947,660		947,660			

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

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Schedule 5

Tax Calculation Supplementary – Corporations

Corporation's name	Business Number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2025-12-31

Use this schedule if any of the following apply to your corporation during the tax year:

- it had a permanent establishment in more than one jurisdiction (corporations that have no taxable income should only fill out columns A, B, and D in Part 1)
- it is claiming provincial or territorial tax credits or rebates (see Part 2)
- it has to pay taxes, other than income tax, for Newfoundland and Labrador or Ontario (see Part 2)

All legislative references are to the Income Tax Regulations.

For more information, see Guide T4012, T2 Corporation – Income Tax Guide.

For the regulation number to be entered in field 100 of Part 1, see the chart in the Help (F1).

Part 1 – Allocation of taxable income

100 ______________________ Enter the regulation that applies (402 to 413).

A Jurisdiction. (tick **yes** if your corporation had a permanent establishment in the jurisdiction during the tax year) **Note 1**		**B** Total salaries and wages paid in jurisdiction	**C** B **multiplied** by taxable income, **divided** by G	**D** Gross revenue attributable to jurisdiction	**E** D **multiplied** by taxable income, **divided** by H	**F** Allocation of taxable income (C + E x 1/2) **Note 2** (where either G or H is nil, do not multiply by 1/2)
Newfoundland and Labrador	**003** Yes ☐	**103**		**143**		
Newfoundland and Labrador Offshore	**004** Yes ☐	**104**		**144**		
Prince Edward Island	**005** Yes ☐	**105**		**145**		
Nova Scotia	**007** Yes ☐	**107**		**147**		
Nova Scotia Offshore	**008** Yes ☐	**108**		**148**		
New Brunswick	**009** Yes ☐	**109**		**149**		
Quebec	**011** Yes ☐	**111**		**151**		
Ontario	**013** Yes ☐	**113**		**153**		
Manitoba	**015** Yes ☐	**115**		**155**		
Saskatchewan	**017** Yes ☐	**117**		**157**		
Alberta	**019** Yes ☐	**119**		**159**		
British Columbia	**021** Yes ☐	**121**		**161**		
Yukon	**023** Yes ☐	**123**		**163**		
Northwest Territories	**025** Yes ☐	**125**		**165**		
Nunavut	**026** Yes ☐	**126**		**166**		
Outside Canada	**027** Yes ☐	**127**		**167**		
Total		**129** G		**169** H		

Note 1: **Permanent establishment** is defined in subsection 400(2).
Note 2: For corporations other than those described under section 402, use the appropriate calculation described in the Regulations to allocate taxable income.

Notes:

1. After determining the allocation of taxable income, you have to calculate the corporation's provincial or territorial tax payable. For more information on how to calculate the tax for each province or territory, see the instructions for Schedule 5 in the T2 Corporation – Income Tax Guide.
2. If your corporation has provincial or territorial tax payable, fill out Part 2 on the following pages.
3. If your corporation is a member of a partnership and the partnership had a permanent establishment in a jurisdiction, select the jurisdiction in Column A and include your proportionate share of the partnership's salaries and wages and gross revenue in columns B and D, respectively.

Part 2 – Ontario tax payable, tax credits, and rebates

Total taxable income	Income eligible for small business deduction	Provincial or territorial allocation of taxable income	Provincial or territorial tax payable before credits

Ontario basic income tax (from Schedule 500)	270				
Ontario small business deduction (from Schedule 500)	402				
Subtotal (line 270 **minus** line 402)			►		5A
Ontario transitional tax debits and credits (from Schedule 506)	276				
Recapture of Ontario research and development tax credit (from Schedule 508)	277				
Repayment of Ontario made manufacturing investment tax credit (from Schedule 572)	281				
Subtotal (line 276 **plus** line 277 **plus** line 281)			►		5B
Gross Ontario tax (amount 5A **plus** amount 5B)					5C
Ontario tax credit for manufacturing and processing (from Schedule 502)	406				
Ontario foreign tax credit (from Schedule 21)	408				
Ontario credit union tax reduction (from Schedule 500)	410				
Ontario political contributions tax credit (from Schedule 525)	415				
Ontario non-refundable tax credits (total of lines 406 to 415)			►		5D
Subtotal (amount 5C **minus** amount 5D) (if negative, enter "0")					5E
Ontario research and development tax credit (from Schedule 508)			416		
Ontario corporate income tax payable before Ontario corporate minimum tax credit and Ontario community food program donation tax credit for farmers (amount 5E **minus** line 416) (if negative, enter "0")					5F
Ontario corporate minimum tax credit (from Schedule 510)			418		
Ontario community food program donation tax credit for farmers (from Schedule 2)			420		
Non-refundable Ontario made manufacturing investment tax credit (from Schedule 572)			421		
Ontario corporate income tax payable (amount 5F **minus** the total of lines 418 to 421) (if negative, enter "0")					5G
Ontario corporate minimum tax (from Schedule 510)	278	47,520			
Ontario special additional tax on life insurance corporations (from Schedule 512)	280				
Subtotal (line 278 **plus** line 280)		47,520	►	47,520	5H
Total Ontario tax payable before refundable tax credits (amount 5G **plus** amount 5H)				47,520	5I
Ontario qualifying environmental trust tax credit	450				
Ontario co-operative education tax credit (from Schedule 550)	452	11,801			
Ontario computer animation and special effects tax credit (from Schedule 554)	456				
Ontario film and television tax credit (from Schedule 556)	458				
Ontario production services tax credit (from Schedule 558)	460				
Ontario interactive digital media tax credit (from Schedule 560)	462				
Ontario book publishing tax credit (from Schedule 564)	466				
Ontario innovation tax credit (from Schedule 566)	468				
Ontario business-research institute tax credit (from Schedule 568)	470				
Ontario regional opportunities investment tax credit (from Schedule 570)	472				
Refundable Ontario made manufacturing investment tax credit (from Schedule 572)	474				
Ontario shortline railway investment tax credit	476				
Ontario refundable tax credits (total of lines 450 to 476)		11,801	►	11,801	5J
Net Ontario tax payable or refundable tax credit (amount 5I **minus** amount 5J) (if a credit, enter amount in brackets). Include this amount on line 255.			290	35,719	

Summary

Enter the total net tax payable or refundable tax credits for all provinces and territories on line 255.

Net provincial and territorial tax payable or refundable tax credits **255** 35,719

If the amount on line 255 is positive, enter the net provincial and territorial tax payable on line 760 of the T2 return.
If the amount on line 255 is negative, enter the net provincial and territorial refundable tax credits on line 812 of the T2 return.

Canada Revenue Agency
Agence du revenu du Canada

Schedule 8

Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 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 ☒

	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	Buildings	16,611,021						
2.	8	Equipment and tools	785,222	226,055		226,055			
3.	10	Rolling stock and vehicles	474,140	62,445		62,445			
4.	45	Computer equipment and software	2						
5.	47	Electrical energy distribution	45,671,562	9,522,252		5,676,773	-1,650,405		
6.	50	Computer equipment	101,377	548,555		548,555			
7.	14.1		7,546,652	5,463,826		5,463,826			
8.	1b	Building	464,242	39,147		39,147			
9.	95	WIP	10,862,315	40,321,050		40,321,050	1,650,405		
		Totals	82,516,533	56,183,330		52,337,851			

	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	Buildings	0	16,611,021					
2.	8	Equipment and tools	138,753	872,524	138,753		138,753	87,302	
3.	10	Rolling stock and vehicles	0	536,585				62,445	
4.	45	Computer equipment and software	0	2					
5.	47	Electrical energy distribution	0	53,543,409				5,676,773	
6.	50	Computer equipment	0	649,932				548,555	
7.	14.1		0	13,010,478				5,463,826	
8.	1b	Building	0	503,389				39,147	
9.	95	WIP	37,154,828	15,678,942	37,154,828		37,154,828	3,166,222	
		Totals	37,293,581	101,406,282	37,293,581		37,293,581	15,044,270	

	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	Buildings			4	0	0	664,441	15,946,580
2.	8	Equipment and tools	43,651		20	0	0	183,235	689,289
3.	10	Rolling stock and vehicles	31,223		30	0	0	170,342	366,243
4.	45	Computer equipment and software			45	0	0	1	1
5.	47	Electrical energy distribution	2,838,387		8	0	0	4,510,544	49,032,865
6.	50	Computer equipment	448,818		55	0	0	604,313	45,619
7.	14.1		2,731,913		5	0	0	789,565	12,220,913

	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
8.	1b	Building	19,574		6	0	0	31,378	472,011
9.	95	WIP	1,583,111		0	0	0		15,678,942
		Totals	7,696,677					6,953,819	94,452,463

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
InnPower Corporation	89242 2817 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.	Innservices Utilities Inc.		81689 7326 RC0001	3					
2.	Town of Innisfil		NR	1					
3.	Innterprises Inc.		86556 4595 RC0001	3					

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

T2 SCH 9 (11)

Canada

Continuity of financial statement reserves (not deductible)

Financial statement reserves (not deductible)

	Description	Balance at the beginning of the year	Transfer on an amalgamation or the wind-up of a subsidiary	Add	Deduct	Balance at the end of the year
1	Post retirement benefits	187,514		204,377	187,514	204,377
	Reserves from Part 2 of Schedule 13					
	Totals	187,514		204,377	187,514	204,377

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	InnPower Corporation	89242 2817 RC0001	1	500,000	100.0000	500,000	
2	Innservices Utilities Inc.	81689 7326 RC0001	1	500,000			
3	Town of Innisfil	NR	1	500,000			
4	Innterprises Inc.	86556 4595 RC0001	1	500,000			
				Total	100.0000	500,000	A

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

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

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

Special rules for business limit

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

T2 SCH 23 E (19)

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Schedule 33

Taxable Capital Employed in Canada – Large Corporations

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

Reserves that have not been deducted in calculating income for the year under Part I	101	204,377		
Capital stock (or members' contributions if incorporated without share capital)	103	10,852,000		
Retained earnings	104	26,318,000		
Contributed surplus	105	1,600,000		
Any other surpluses	106			
Deferred unrealized foreign exchange gains	107			
All loans and advances to the corporation	108	81,102,000		
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109			
Any dividends declared but not paid by the corporation before the end of the year	110			
All other indebtedness of the corporation (other than any indebtedness for a lease) that has been outstanding for more than 365 days before the end of the year	111			
The total of all amounts, each of which is the amount, if any, in respect of a partnership in which the corporation held a membership interest at the end of the year, either directly or indirectly through another partnership (see note below)	112			
Subtotal (**add** lines 101 to 112)		120,076,377 ►	120,076,377	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)				120,076,377	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	120,076,377	

Part 2 – Investment allowance

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

A share of another corporation	401	
A loan or advance to another corporation (other than a financial institution)	402	2,914,000
A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution)	403	
Long-term debt of a financial institution	404	
A dividend payable on a share of the capital stock of another corporation	405	
A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim or similar obligation of, a partnership each member of which was, throughout the year, another corporation (other than a financial institution) that was not exempt from tax under this Part (otherwise than because of paragraph 181.1(3)(d)), or another partnership described in paragraph 181.2(4)(d.1)	406	
An interest in a partnership (see note 2 below)	407	
Investment allowance for the year (add lines 401 to 407)	490	2,914,000

Notes:

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

Part 3 – Taxable capital

Capital for the year (line 190)		120,076,377	C
Deduct: Investment allowance for the year (line 490)		2,914,000	D
Taxable capital for the year (amount C **minus** amount D) (if negative, enter "0")	500	117,162,377	

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) 117,162,377 x Taxable income earned in Canada **610** 1,000 / Taxable income 1,000 = **Taxable capital employed in Canada** **690** 117,162,377

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
InnPower Corporation	89242 2817 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 Innisfil	121947188RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

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Schedule 53

General Rate Income Pool (GRIP) Calculation

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	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 2006-12-31
3. During that first year, was the corporation a CCPC or would it have been a CCPC if not for the election of subsection 89(11) ITA? ☐ Yes ☐ No
   If the answer to question 3 is yes, complete Part "GRIP addition for 2006".

Change in the type of corporation

4. Was the corporation a CCPC during its preceding taxation year? ☒ Yes ☐ No
5. Corporations that become a CCPC or a DIC ☐ Yes ☒ No
   If the answer to question 5 is yes, complete Part 4.

Amalgamation (first year of filing after amalgamation)

6. Corporations that were formed as a result of an amalgamation ☐ Yes ☒ No
   If the answer to question 6 is yes, answer questions 7 and 8. If the answer is no, go to question 9.
7. Was one or more of the predecessor corporations neither a CCPC nor a DIC? ☐ Yes ☐ No
   If the answer to question 7 is yes, complete Part 4.
8. Was one or more of the predecessor corporation a CCPC or a DIC during the taxation year that ended immediately before amalgamation? ☐ Yes ☐ No
   If the answer to question 8 is yes, complete Part 3.

Winding-up

9. Has the corporation wound-up a subsidiary in the preceding taxation year? ☐ Yes ☒ No
   If the answer to question 9 is yes, answer questions 10 and 11. If the answer is no, go to Part 1.
10. Was the subsidiary neither a CCPC nor a DIC during its last taxation year? ☐ Yes ☐ No
    If the answer to question 10 is yes, complete Part 4.
11. Was the subsidiary a CCPC or a DIC during its last taxation year? ☐ Yes ☐ No
    If the answer to question 11 is yes, complete Part 3.

Part 1 – General rate income pool (GRIP)

GRIP at the end of the previous tax year **100** 3,389,236

Taxable income for the year (DICs enter "0")* **110**

Amount on line 400, 405, 410, or 428 of the T2 return, whichever is the least* **130**

For a CCPC, the lesser of aggregate investment income (line 440 of the T2 return) and taxable income* **140**

Subtotal (line 130 **plus** line 140) ▶ A

Income taxable at the general corporate rate (line 110 **minus** amount A) (if negative enter "0") **150**

After-tax income (line 150 **multiplied** by 0.72 (the general rate factor for the tax year)) **190**

Eligible dividends received in the tax year **200**

Dividends deductible under section 113 received in the tax year **210**

Subtotal (line 200 **plus** line 210) ▶ B

Becoming a CCPC (amount W5 in Part 4) **220**

Post-amalgamation (total of amount E4 in Part 3 and amount W5 in Part 4) **230**

Post-wind-up (total of amount E4 in Part 3 and amount W5 in Part 4) **240**

Subtotal (**add** lines 220, 230, and 240) **290** ▶

Subtotal (**add** lines 100, 190, 290, and amount B) 3,389,236 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** 3,389,236

Total GRIP adjustment for specified future tax consequences to previous tax years (amount L3 in Part 2) **560** 682,315

GRIP at the end of the tax year (line 490 **minus** line 560) **590** 2,706,921

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 967,542 A1

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

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

Aggregate investment income (line 440 of the T2 return) . . . . ______ C1

Subtotal (amount B1 **plus** amount C1) ______ ▶ ______ D1

Subtotal (amount A1 **minus** amount D1) (if negative, enter "0") 967,542 ▶ 967,542 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**
947,660					947,660

Taxable income after specified future tax consequences 19,882 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") 19,882 ▶ 19,882 J1

Subtotal (amount E1 **minus** amount J1) (if negative, enter "0") 947,660 K1

GRIP adjustment for specified future tax consequences to the first previous tax year
(amount K1 **multiplied** by 0.72) **500** 682,315

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 352,154 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") 352,154 ▶ 352,154 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 724,289 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") 724,289 ▶ 724,289 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") 682,315 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 55

Part III.1 Tax on Excessive Eligible Dividend Designations

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2025-12-31

Do not use this area

- Every corporation resident in Canada that pays a taxable dividend (other than a capital gains dividend within the meaning assigned by subsection 130.1(4) or 131(1)) in the tax year must file this schedule.
- Canadian-controlled private corporations (CCPC) and deposit insurance corporations (DIC) must complete Part 1 of this schedule. All other corporations must complete Part 2.
- Every corporation that has paid an eligible dividend must also file Schedule 53, General Rate Income Pool (GRIP) Calculation, or Schedule 54, Low Rate Income Pool (LRIP) Calculation, whichever is applicable.
- File the schedules with your T2 Corporation Income Tax Return no later than six months from the end of the tax year.
- All legislative references are to the Income Tax Act and the Income Tax Regulations.
- Subsection 89(1) defines the terms **eligible dividend**, **excessive eligible dividend designation**, **general rate income pool**, and **low rate income pool**.
- The calculations in Part 1 and Part 2 do not apply if the excessive eligible dividend designation arises from the application of paragraph (c) of the definition of excessive eligible dividend designation in subsection 89(1). This paragraph applies when an eligible dividend is paid to artificially maintain or increase the GRIP or to artificially maintain or decrease the LRIP.

Part 1 – Canadian-controlled private corporations and deposit insurance corporations

Taxable dividends paid in the tax year **not included** in Schedule 3 . . . .

Taxable dividends paid in the tax year **included** in Schedule 3 500,000

Total taxable dividends paid in the tax year **100** 500,000

Total eligible dividends paid in the tax year **150**

GRIP at the end of the tax year (line 590 on Schedule 53) (if negative, enter "0") **160** 2,706,921

Excessive eligible dividend designation (line 150 **minus** line 160) . . . . A

Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends * **180**

Subtotal (amount A **minus** line 180) B

Part III.1 tax on excessive eligible dividend designations – CCPC or DIC (amount B **multiplied** by 20 %) **190**

Enter the amount from line 190 on line 710 of the T2 return.

Part 2 – Other corporations

Taxable dividends paid in the tax year **not included** in Schedule 3 . . . .

Taxable dividends paid in the tax year **included** in Schedule 3 . . . .

Total taxable dividends paid in the tax year **200**

Total excessive eligible dividend designations in the tax year (amount A of Schedule 54) C

Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends * **280**

Subtotal (amount C **minus** line 280) D

Part III.1 tax on excessive eligible dividend designations – Other corporations (amount D **multiplied** by 20 %) . **290**

Enter the amount from line 290 on line 710 of the T2 return.

* You can elect to treat all or part of your excessive eligible dividend designation as a separate taxable dividend in order to eliminate or reduce the Part III.1 tax otherwise payable. You must file the election on or before the day that is 90 days **after** the day the notice of assessment for Part III.1 tax was sent. We will accept an election before the assessment of the tax.

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Schedule 510

Ontario Corporate Minimum Tax

Corporation's name	Business number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2025-12-31

- File this schedule if the corporation is subject to Ontario corporate minimum tax (CMT). CMT is levied under section 55 of the *Taxation Act, 2007* (Ontario), referred to as the "Ontario Act".
- Complete Part 1 to determine if the corporation is subject to CMT for the tax year.
- A corporation not subject to CMT in the tax year is still required to file this schedule if it is deducting a CMT credit, has a CMT credit carryforward, or has a CMT loss carryforward or a current year CMT loss.
- A corporation that has Ontario special additional tax on life insurance corporations (SAT) payable in the tax year must complete Part 4 of this schedule even if it is not subject to CMT for the tax year.
- A corporation is exempt from CMT if, throughout the tax year, it was one of the following:
  1) a corporation exempt from income tax under section 149 of the federal *Income Tax Act*;
  2) a mortgage investment corporation under subsection 130.1(6) of the federal Act;
  3) a deposit insurance corporation under subsection 137.1(5) of the federal Act;
  4) a congregation or business agency to which section 143 of the federal Act applies;
  5) an investment corporation as referred to in subsection 130(3) of the federal Act; or
  6) a mutual fund corporation under subsection 131(8) of the federal Act.
- File this schedule with the *T2 Corporation Income Tax Return*.

Part 1 – Determination of CMT applicability

Total assets of the corporation at the end of the tax year *	112	270,163,000
Share of total assets from partnership(s) and joint venture(s) *	114	
Total assets of associated corporations (amount from line 450 on Schedule 511)	116	474,270,905
Total assets (total of lines 112 to 116)		744,433,905
Total revenue of the corporation for the tax year **	142	67,247,000
Share of total revenue from partnership(s) and joint venture(s) **	144	
Total revenue of associated corporations (amount from line 550 on Schedule 511)	146	132,133,790
Total revenue (total of lines 142 to 146)		199,380,790

The corporation is subject to CMT if:

- for tax years ending before July 1, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are more than $5,000,000, or the total revenue for the year of the corporation or the associated group of corporations is more than $10,000,000.
- for tax years ending after June 30, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are equal to or more than $50,000,000, and the total revenue for the year of the corporation or the associated group of corporations is equal to or more than $100,000,000.

If the corporation is not subject to CMT, do not complete the remaining parts unless the corporation is deducting a CMT credit, or has a CMT credit carryforward, a CMT loss carryforward, a current year CMT loss, or SAT payable in the year.

* **Rules for total assets**

- Report total assets according to generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- Do not include unrealized gains and losses on assets and foreign currency gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.
- The amount on line 114 is determined at the end of the last fiscal period of the partnership or joint venture that ends in the tax year of the corporation. Add the proportionate share of the assets of the partnership(s) and joint venture(s), and deduct the recorded asset(s) for the investment in partnerships and joint ventures.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were $1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

** **Rules for total revenue**

- Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- If the tax year is less than 51 weeks, **multiply** the total revenue of the corporation or the partnership, whichever applies, by 365 and **divide** by the number of days in the tax year.
- The amount on line 144 is determined for the partnership or joint venture fiscal period that ends in the tax year of the corporation. If the partnership or joint venture has 2 or more fiscal periods ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were $1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

Part 2 – Adjusted net income/loss for CMT purposes

Net income/loss per financial statements *			210	1,977,000	
Add (to the extent reflected in income/loss):					
Provision for current income taxes/cost of current income taxes	220				
Provision for deferred income taxes (debits)/cost of future income taxes	222	536,000			
Equity losses from corporations	224				
Financial statement loss from partnerships and joint ventures	226				
Dividends deducted on financial statements (subsection 57(2) of the Ontario Act), excluding dividends paid by credit unions under subsection 137(4.1) of the federal Act	230				
Other additions (see note below):					
Share of adjusted net income of partnerships and joint ventures **	228				
Total patronage dividends received, not already included in net income/loss	232				
281	282				
283	284				
Subtotal		536,000	►	536,000	A
Deduct (to the extent reflected in income/loss):					
Provision for recovery of current income taxes/benefit of current income taxes	320	201,000			
Provision for deferred income taxes (credits)/benefit of future income taxes	322				
Equity income from corporations	324				
Financial statement income from partnerships and joint ventures	326				
Dividends deductible under section 112, section 113, or subsection 138(6) of the federal Act	330				
Dividends not taxable under section 83 of the federal Act (from Schedule 3)	332				
Gain on donation of listed security or ecological gift	340				
Accounting gain on transfer of property to a corporation under section 85 or 85.1 of the federal Act ***	342				
Accounting gain on transfer of property to/from a partnership under section 85 or 97 of the federal Act ****	344				
Accounting gain on disposition of property under subsection 13(4), subsection 14(6), or section 44 of the federal Act *****	346				
Accounting gain on a windup under subsection 88(1) of the federal Act or an amalgamation under section 87 of the federal Act	348				
Other deductions (see note below):					
Share of adjusted net loss of partnerships and joint ventures **	328				
Tax payable on dividends under subsection 191.1(1) of the federal Act **multiplied** by 3	334				
Interest deducted/deductible under paragraph 20(1)(c) or (d) of the federal Act, not already included in net income/loss	336				
Patronage dividends paid (from Schedule 16) not already included in net income/loss	338				
381 2025 tax component of net movement in regulatory	382	552,000			
383	384				
385	386				
387	388				
389	390				
Subtotal		753,000	►	753,000	B
Adjusted net income/loss for CMT purposes (line 210 **plus** amount A **minus** amount B)			490	1,760,000	

If the amount on line 490 is positive and the corporation is subject to CMT as determined in Part 1, enter the amount on line 515 in Part 3.

If the amount on line 490 is negative, enter the amount on line 760 in Part 7 (enter as a positive amount).

Note

In accordance with *Ontario Regulation 37/09*, when calculating net income for CMT purposes, accounting income should be adjusted to:

- exclude unrealized gains and losses due to mark-to-market changes or foreign currency changes on specified mark-to-market property (assets only);
- include realized gains and losses on the disposition of specified mark-to-market property not already included in the accounting income, if the property is not a capital property or is a capital property disposed in the year or in a previous tax year ended after March 22, 2007.

"Specified mark-to-market property" is defined in subsection 54(1) of the Ontario Act.

These rules also apply to partnerships. A corporate partner's share of a partnership's adjusted income flows through on a proportionate basis to the corporate partner.

* **Rules for net income/loss**

- Banks must report net income/loss as per the report accepted by the Superintendent of Financial Institutions under the federal *Bank Act*, adjusted so consolidation and equity methods are not used.

Part 2 – Calculation of adjusted net income/loss for CMT purposes (continued)

- Life insurance corporations must report net income/loss as per the report accepted by the federal Superintendent of Financial Institutions or equivalent provincial insurance regulator, before SAT and adjusted so consolidation and equity methods are not used. If the life insurance corporation is resident in Canada and carries on business in and outside of Canada, **multiply** the net income/loss by the ratio of the Canadian reserve liabilities **divided** by the total reserve liability. The reserve liabilities are calculated in accordance with Regulation 2405(3) of the federal Act.
- Other corporations must report net income/loss in accordance with generally accepted accounting principles, except that consolidation and equity methods must not be used. When the equity method has been used for accounting purposes, equity losses and equity income are removed from book income/loss on lines 224 and 324 respectively.
- Corporations, other than insurance corporations, should report net income from line 9999 of the GIFI (Schedule 125) on line 210.

** The share of the adjusted net income of a partnership or joint venture is calculated as if the partnership or joint venture were a corporation and the tax year of the partnership or joint venture were its fiscal period. For a corporation with an indirect interest in a partnership through one or more partnerships, determine the corporation's share according to clause 54(5)(c) of the Ontario Act.

*** A joint election will be considered made under subsection 60(1) of the Ontario Act if there is an entry on line 342, and an election has been made for transfer of property to a corporation under subsection 85(1) of the federal Act.

**** A joint election will be considered made under subsection 60(2) of the Ontario Act if there is an entry on line 344, and an election has been made under subsection 85(2) or 97(2) of the federal Act.

***** A joint election will be considered made under subsection 61(1) of the Ontario Act if there is an entry on line 346, and an election has been made under subsection 13(4) or 14(6) and/or section 44 of the federal Act.

For more information on how to complete this part, see the *T2 Corporation – Income Tax Guide*.

Part 3 – CMT payable

Adjusted net income for CMT purposes (line 490 in Part 2, if positive)		**515**	1,760,000	
Deduct:				
CMT loss available (amount R from Part 7)				
Minus: Adjustment for an acquisition of control *	**518**			
Adjusted CMT loss available		▶		C
Net income subject to CMT calculation (if negative, enter "0")		**520**	1,760,000	

Amount from line 520 1,760,000 x (Number of days in the tax year before July 1, 2010 / Number of days in the tax year 365) x 4 % = 1

Amount from line 520 1,760,000 x (Number of days in the tax year after June 30, 2010 365 / Number of days in the tax year 365) x 2.7 % = 47,520 2

Subtotal (amount 1 **plus** amount 2) 47,520 3

Gross CMT: amount on line 3 above x OAF **	**540**	47,520	
Deduct:			
Foreign tax credit for CMT purposes ***	**550**		
CMT after foreign tax credit deduction (line 540 **minus** line 550) (if negative, enter "0")		47,520	D
Deduct:			
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)			
Net CMT payable (if negative, enter "0")		47,520	E

Enter amount E on line 278 of Schedule 5, *Tax Calculation Supplementary – Corporations*, and complete Part 4.

* Enter the portion of CMT loss available that exceeds the adjusted net income for the tax year from carrying on a business before the acquisition of control. See subsection 58(3) of the Ontario Act.

*** Enter "0" on line 550 for life insurance corporations as they are not eligible for this deduction. For all other corporations, enter the cumulative total of amount J for the province of Ontario from Part 9 of Schedule 21 on line 550.

** **Calculation of the Ontario allocation factor (OAF):**

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "Ontario," enter "1" on line F.

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "multiple," complete the following calculation, and enter the result on line F:

Ontario taxable income **** / Taxable income ***** =

Ontario allocation factor 1.00000 F

**** Enter the amount allocated to Ontario from column F in Part 1 of Schedule 5. If the taxable income is nil, calculate the amount in column F as if the taxable income were $1,000.

***** Enter the taxable income amount from line 360 or amount Z of the T2 return, whichever applies. If the taxable income is nil, enter "1,000".

Part 4 – Calculation of CMT credit carryforward

CMT credit carryforward at the end of the previous tax year *		3,876	G			
Deduct:						
CMT credit expired *	**600**					
CMT credit carryforward at the beginning of the current tax year * (see note below)		3,876	▶	**620**	3,876	
Add:						
CMT credit carryforward balances transferred on an amalgamation or the windup of a subsidiary (see note below)				**650**		
CMT credit available for the tax year (amount on line 620 **plus** amount on line 650)					3,876	H
Deduct:						
CMT credit deducted in the current tax year (amount P from Part 5)						I
Subtotal (amount H **minus** amount I)					3,876	J
Add:						
Net CMT payable (amount E from Part 3)		47,520				
SAT payable (amount O from Part 6 of Schedule 512)						
Subtotal		47,520	▶		47,520	K
CMT credit carryforward at the end of the tax year (amount J **plus** amount K)				**670**	51,396	L

* For the first harmonized T2 return filed with a tax year that includes days in 2009:
- do not enter an amount on line G or line 600;
- for line 620, enter the amount from line 2336 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line G the amount from line 670 of Schedule 510 from the previous tax year.

Note: If you entered an amount on line 620 or line 650, complete Part 6.

Part 5 – Calculation of CMT credit deducted from Ontario corporate income tax payable

CMT credit available for the tax year (amount H from Part 4)					3,876	M
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)				1		
For a corporation that is not a life insurance corporation:						
CMT after foreign tax credit deduction (amount D from Part 3)	47,520	2				
For a life insurance corporation:						
Gross CMT (line 540 from Part 3)		3				
Gross SAT (line 460 from Part 6 of Schedule 512)		4				
The **greater** of amounts 3 and 4		5				
Deduct: line 2 or line 5, whichever applies:			47,520	6		
Subtotal (if negative, enter "0")				▶		N
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)						
Deduct:						
Total refundable tax credits excluding Ontario qualifying environmental trust tax credit (amount J6 **minus** line 450 from Schedule 5)			11,801			
Subtotal (if negative, enter "0")				▶		O
CMT credit deducted in the current tax year (least of amounts M, N, and O)						P

Enter amount P on line 418 of Schedule 5 and on line I in Part 4 of this schedule.

Is the corporation claiming a CMT credit earned before an acquisition of control? **675** 1 Yes ☐ 2 No ☒

If you answered **yes** to the question at line 675, the CMT credit deducted in the current tax year may be restricted. For information on how the deduction may be restricted, see subsections 53(6) and (7) of the Ontario Act.

Part 6 – Analysis of CMT credit available for carryforward by year of origin

Complete this part if:

- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	CMT credit balance *
10th previous tax year	**680**
9th previous tax year	**681**
8th previous tax year	**682**
7th previous tax year	**683**
6th previous tax year	**684**
5th previous tax year	**685**
4th previous tax year	**686**
3rd previous tax year	**687**
2nd previous tax year	**688**
1st previous tax year	**689**
Total **	

* CMT credit that was earned (by the corporation, predecessors of the corporation, and subsidiaries wound up into the corporation) in each of the previous 10 tax years and has not been deducted.

** Must equal the total of the amounts entered on lines 620 and 650 in Part 4.

Part 7 – Calculation of CMT loss carryforward

CMT loss carryforward at the end of the previous tax year * . . . . ____ Q

Deduct:

CMT loss expired * . . . . **700** ____

CMT loss carryforward at the beginning of the tax year * (see note below) . . . . ____ ▶ **720** ____

Add:

CMT loss transferred on an amalgamation under section 87 of the federal Act ** (see note below) . . . . **750** ____

CMT loss available (line 720 **plus** line 750) . . . . ____ R

Deduct:

CMT loss deducted against adjusted net income for the tax year (lesser of line 490 (if positive) and line C in Part 3) . . . . ____

Subtotal (if negative, enter "0") ____ S

Add:

Adjusted net loss for CMT purposes (amount from line 490 in Part 2, if **negative**) (enter as a positive amount) . . . . **760** ____

CMT loss carryforward balance at the end of the tax year (amount S **plus** line 760) . . . . **770** ____ T

* For the first harmonized T2 return filed with a tax year that includes days in 2009:

- do not enter an amount on line Q or line 700;
- for line 720, enter the amount from line 2214 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line Q the amount from line 770 of Schedule 510 from the previous tax year.

** Do not include an amount from a predecessor corporation if it was controlled at any time before the amalgamation by any of the other predecessor corporations.

Note: If you entered an amount on line 720 or line 750, complete Part 8.

Part 8 – Analysis of CMT loss available for carryforward by year of origin

Complete this part if:

- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	Balance earned in a tax year ending before March 23, 2007 *	Balance earned in a tax year ending after March 22, 2007 **
10th previous tax year	**810**	**820**
9th previous tax year	**811**	**821**
8th previous tax year	**812**	**822**
7th previous tax year	**813**	**823**
6th previous tax year	**814**	**824**
5th previous tax year	**815**	**825**
4th previous tax year	**816**	**826**
3rd previous tax year	**817**	**827**
2nd previous tax year	**818**	**828**
1st previous tax year		**829**
Total ***		

* Adjusted net loss for CMT purposes that was earned (by the corporation, by subsidiaries wound up into or amalgamated with the corporation before March 22, 2007, and by other predecessors of the corporation) in each of the previous 10 tax years that ended before March 23, 2007, and has not been deducted.

** Adjusted net loss for CMT purposes that was earned (by the corporation and its predecessors, but not by a subsidiary predecessor) in each of the previous 20 tax years that ended after March 22, 2007, and has not been deducted.

*** The total of these two columns must equal the total of the amounts entered on lines 720 and 750.

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SCHEDULE 511

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

Name of corporation	Business Number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2025-12-31

- For use by corporations to report the total assets and total revenue of all the Canadian or foreign corporations with which the filing corporation was associated at any time during the tax year. These amounts are required to determine if the filing corporation is subject to corporate minimum tax.
- Total assets and total revenue include the associated corporation's share of any partnership(s)/joint venture(s) total assets and total revenue.
- Attach additional schedules if more space is required.
- File this schedule with the *T2 Corporation Income Tax Return.*

	Names of associated corporations	Business number (Canadian corporation only) (see Note 1)	Total assets* (see Note 2)	Total revenue** (see Note 2)
	200	**300**	**400**	**500**
1	Innservices Utilities Inc.	81689 7326 RC0001	422,013,000	31,591,000
2	Town of Innisfil	NR	50,000,000	100,000,000
3	Innterprises Inc.	86556 4595 RC0001	2,257,905	542,790
		Total	**450** 474,270,905	**550** 132,133,790

Enter the total assets from line 450 on line 116 in Part 1 of Schedule 510, *Ontario Corporate Minimum Tax*.
Enter the total revenue from line 550 on line 146 in Part 1 of Schedule 510.

Note 1: Enter ¨NR¨ if a corporation is not registered.

Note 2: If the associated corporation does not have a tax year that ends in the filing corporation's current tax year but was associated with the filing corporation in the previous tax year of the filing corporation, enter the total revenue and total assets from the tax year of the associated corporation that ends in the previous tax year of the filing corporation.

*** Rules for total assets**

- Report total assets in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- Include the associated corporation's share of the total assets of partnership(s) and joint venture(s) but exclude the recorded asset(s) for the investment in partnerships and joint ventures.
- Exclude unrealized gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.

**** Rules for total revenue**

- Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- If the associated corporation has 2 or more tax years ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of those tax years by 365 and **divide** by the total number of days in all of those tax years.
- If the associated corporation's tax year is less than 51 weeks and is the only tax year of the associated corporation that ends in the filing corporation's tax year, **multiply** the associated corporation's total revenue by 365 and **divide** by the number of days in the associated corporation's tax year.
- Include the associated corporation's share of the total revenue of partnerships and joint ventures.
- If the partnership or joint venture has 2 or more fiscal periods ending in the associated corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.

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SCHEDULE 550

ONTARIO CO-OPERATIVE EDUCATION TAX CREDIT

Name of corporation	Business Number	Tax year-end Year Month Day
InnPower Corporation	89242 2817 RC0001	2025-12-31

- Use this schedule to claim an Ontario co-operative education tax credit (CETC) under section 88 of the *Taxation Act, 2007* (Ontario).
- The CETC is a refundable tax credit that is equal to an eligible percentage (10% to 30%) of the eligible expenditures incurred by a corporation for a qualifying work placement. The maximum credit amount is $1,000 for each qualifying work placement ending before March 27, 2009, and $3,000 for each qualifying work placement beginning after March 26, 2009. For a qualifying work placement that straddles March 26, 2009, the maximum credit amount is prorated.
- Eligible expenditures are salaries and wages (including taxable benefits) paid or payable to a student in a qualifying work placement, or fees paid or payable to an employment agency for services performed by the student in a qualifying work placement. These expenditures must be paid on account of employment or services, as applicable, at a permanent establishment of the corporation in Ontario. Expenditures for a work placement (WP) are not eligible expenditures if they are greater than the amounts that would be paid to an arm's length employee.
- A WP must meet all of the following conditions to be a qualifying work placement:
  - the student performs employment duties for a corporation under a qualifying co-operative education program (QCEP);
  - the WP has been developed or approved by an eligible educational institution as a suitable learning situation;
  - the terms of the WP require the student to engage in productive work;
  - the WP is for a period of at least 10 consecutive weeks or, in the case of an internship program, not less than 8 consecutive months and not more than 16 consecutive months;
  - the student is paid for the work performed in the WP;
  - the corporation is required to supervise and evaluate the job performance of the student in the WP;
  - the institution monitors the student's performance in the WP; and
  - the institution has certified the WP as a qualifying work placement.
- Make sure you keep a copy of the letter of certification from the Ontario eligible educational institution containing the name of the student, the employer, the institution, the term of the WP, and the name/discipline of the QCEP to support the claim. Do not submit the letter of certification with the *T2 Corporation Income Tax Return*.
- File this schedule with the *T2 Corporation Income Tax Return*.

Part 1 – Corporate information

110 Name of person to contact for more information: Lisa McCaskie

120 Telephone number including area code: (705) 431-6870

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

If you answered **yes** to the question at line 150, what is the name of the partnership? . . . . . **160** ____

Enter the percentage of the partnership's CETC allocated to the corporation . . . . . **170** ____ %

* When a corporate member of a partnership is claiming an amount for eligible expenditures incurred by a partnership, complete a Schedule 550 for the partnership as if the partnership were a corporation. Each corporate partner, other than a limited partner, should file a separate Schedule 550 to claim the partner's share of the partnership's CETC. The allocated amounts can not exceed the amount of the partnership's CETC.

Part 2 – Eligibility

1. Did the corporation have a permanent establishment in Ontario in the tax year? . . . . . **200** 1 Yes ☒ 2 No ☐
2. Was the corporation exempt from tax under Part III of the *Taxation Act*, 2007 (Ontario)? . . . . . **210** 1 Yes ☐ 2 No ☒

If you answered **no** to question 1 or **yes** to question 2, then the corporation is **not eligible** for the CETC.

Part 3 – Eligible percentage for determining the eligible amount

Corporation's salaries and wages paid in the previous tax year * **300** 4,783,000

For eligible expenditures incurred before March 27, 2009:

- If line 300 is $400,000 or less, enter 15% on line 310.
- If line 300 is $600,000 or more, enter 10% on line 310.
- If line 300 is more than $400,000 and less than $600,000, enter the percentage on line 310 using the following formula:

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

Eligible percentage for determining the eligible amount . . . . **310** 10.000 %

For eligible expenditures incurred after March 26, 2009:

- If line 300 is $400,000 or less, enter 30% on line 312.
- If line 300 is $600,000 or more, enter 25% on line 312.
- If line 300 is more than $400,000 and less than $600,000, enter the percentage on line 312 using the following formula:

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

Eligible percentage for determining the eligible amount . . . . **312** 25.000 %

* If this is the first tax year of an amalgamated corporation and subsection 88(9) of the *Taxation Act, 2007* (Ontario) applies, enter the salaries and wages paid in the previous tax year by the predecessor corporations.

Part 4 – Calculation of the Ontario co-operative education tax credit

Complete a separate entry for each student for each qualifying work placement that ended in the corporation's tax year. If a qualifying work placement would otherwise exceed four consecutive months, divide the WP into periods of four consecutive months and enter each full period of four consecutive months as a separate WP. If the WP does not divide equally into four-month periods and if the period that is less than 4 months is 10 or more consecutive weeks, then enter that period as a separate WP. If that period is less than 10 consecutive weeks, then include it with the WP for the last period of 4 consecutive months. Consecutive WPs with two or more associated corporations are deemed to be with only one corporation, as designated by the corporations.

	A Name of university, college, or other eligible educational institution **400**	**B** Name of qualifying co-operative education program **405**
1.	Conestoga College	Powerline Technician (0736C)
2.	Georgian College	Electrical Engineering Technology
3.	Georgian College	Electrical Engineering Technology
4.	Georgian College	Electrical Engineering Technology

	C Name of student **410**	**D** Start date of WP (see note 1 below) **430**	**E** End date of WP (see note 2 below) **435**
1.	Tyler Burton	2025-05-01	2025-08-29
2.	Sean Egeland	2025-01-01	2025-04-30
3.	Tyler Wigood	2025-09-02	2025-12-12
4.	Michael Zicca	2025-05-26	2025-08-29

Note 1: When the WP has been divided into separate periods because it exceeds four consecutive months, enter the start date for the separate WP.

Note 2: When the WP has been divided into separate periods because it exceeds four consecutive months, enter the end date for the separate WP.

Part 4 – Calculation of the Ontario co-operative education tax credit (continued)

	F1 Eligible expenditures before March 27, 2009 (see note 1 below) **450**	Eligible percentage before March 27, 2009 (from line 310 in Part 3)	**F2** Eligible expenditures after March 26, 2009 (see note 1 below) **452**	Eligible percentage after March 26, 2009 (from line 310a in Part 3)	**X** Number of consecutive weeks of the WP completed by the student before March 27, 2009 (see note 3 below)	**Y** Total number of consecutive weeks of the student's WP (see note 3 below)
1.		10.000 %	12,509	25.000 %		17
2.		10.000 %	11,720	25.000 %		16
3.		10.000 %	12,420	25.000 %		14
4.		10.000 %	11,483	25.000 %		14

	G Eligible amount (eligible expenditures **multiplied** by eligible percentage) (see note 2 below) **460**	**H** Maximum CETC per WP (see note 3 below) **462**	**I** CETC on eligible expenditures (column G or H, whichever is less) **470**	**J** CETC on repayment of government assistance (see note 4 below) **480**	**K** CETC for each WP (column I or column J) **490**
1.	3,127	3,000	3,000		3,000
2.	2,930	3,000	2,930		2,930
3.	3,105	3,000	3,000		3,000
4.	2,871	3,000	2,871		2,871

Ontario co-operative education tax credit (total of amounts in column K) **500** 11,801 **L**

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

Amount L ____________ x percentage on line 170 in Part 1 ______ % = ... ____________ **M**

Enter amount L or M, whichever applies, on line 452 of Schedule 5, *Tax Calculation Supplementary – Corporations*. If you are filing more than one Schedule 550, add the amounts from line L or M, whichever applies, on all the schedules and enter the total amount on line 452 of Schedule 5.

Note 1: Reduce eligible expenditures by all government assistance, as defined under subsection 88(21) of the *Taxation Act, 2007* (Ontario), that the corporation has received, is entitled to receive, or may reasonably expect to receive, for the eligible expenditures, on or before the filing due date of the *T2 Corporation Income Tax Return* for the tax year.

Note 2: Calculate the eligible amount (Column G) using the following formula:

Column G = (column F1 x percentage on line 310) + (column F2 x percentage on line 312)

Note 3: If the WP ends before March 27, 2009, the maximum credit amount for the WP is $1,000.
If the WP begins after March 26, 2009, the maximum credit amount for the WP is $3,000.
If the WP begins before March 27, 2009, and ends after March 26, 2009, calculate the maximum credit amount using the following formula:

($1,000 x X/Y) + [$3,000 x (Y – X)/Y]

where "X" is the number of consecutive weeks of the WP completed by the student before March 27, 2009,
and "Y" is the total number of consecutive weeks of the student's WP.

Note 4: When claiming a CETC for repayment of government assistance, complete a **separate entry** for each repayment and complete columns A to E and J and K with the details for the previous year WP in which the government assistance was received.
Include the amount of government assistance repaid in the tax year multiplied by the eligible percentage for the tax year in which the government assistance was received, to the extent that the government assistance reduced the CETC in that tax year.