

State of Florida



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: November 30, 2001

TO: Division of Commission Clerk and Administrative Services

FROM: Patricia Brady, Division of Regulatory Oversight *PB BSM DR*

RE: Docket No. 011402-WU - Notice of abandonment of water services in Marion County by Silver City Utilities.

Please add to the docket file the attached facsimile letter dated November 27, 2001, from David L. Small, utility owner, to Patricia Brady of Commission staff. The letter attaches the legal description for the wellsite property, a map of the wellsite location, and copies of Mr. Small's federal tax returns for 1999 and 2000. The letter also asks for legal's opinion of Mr. Small's liability with regard to the water system after December 28th, 2001.

Attachment

- cc: Division of Regulatory Oversight (Redemann)
- Division of Economic Regulation (Iwenjiora)
- Division of Legal Services (Harris)
- Division of Commission Clerk and Administrative Services (Security File)

DOCUMENT NUMBER

15048 NOV 30 2001

FPSC-COMMISSION CLERK

355 Princes Street,
Kincardine, Ontario.
N2Z 2T7

November 27, 2001

Florida Public Service Commission,
2540 Shumard Oak Boulevard,
Tallahassee, Florida,
U.S.A. 32399-0850

Attention: Ms. Patricia Brady

Dear Sirs:

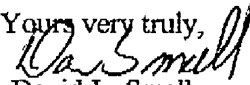
RE: Silver City Utilities WU362

Further to our telephone conversation of November 26th, 2001 we wish to forward the following information:

1. A "Schedule A" containing the legal description for the property that the well is located on. These two parcels were contained within a much larger portion of land purchased initially by us. We also include a map showing the entire subdivision with the two parcels in question outlined and labelled.
2. Photocopies of Income Tax Returns Form 1040NR for the years 1999 and 2000 filed with the Internal Revenue Service for David L. Small.

We would appreciate it if you could please ask Mr. Larry Harris what our personal liability is with regard to the water system after December 28th, 2001.

We hope that this information will assist you and we look forward to hearing from you regarding any further developments. Thanking you, we remain,

Yours very truly,

David L. Small

SCHEDULE 'A'

Firstly:

Lots 26, 27, 28 and a Easterly portion of Lot 25 of Silver City a subdivision, copy of plat being recorded in Plat Book A page 156 in the Public Records of Marion County Florida. More particularly described as being the East 75 feet of the South half of Block 94 of said Silver City Subdivision.

Secondly:

Lots 23, 24 and a Westerly portion of Lot 25 and a Easterly portion of Lot 22 of Silver City a subdivision, copy of plat being recorded in Plat Book A page 156 in the Public Records of Marion County Florida. More particularly described as being the West 75 feet of the East 150 feet of the South half of Block 94 of said Silver City subdivision.

SILVER CITY

PLAT SHOWING A PORTION OF SILVER CITY LOCATED IN THE SE 1/4 OF SECTION 10, TOWNSHIP 13 SOUTH, RANGE 23 EAST AS SURVEYED AND PLATTED BY ELLIS CURTIS AND KOOKER, MARCH 20, 1910. A SUBDIVISION RECORDED IN PLAT BOOK A, PAGE 156A OF THE PUBLIC RECORDS OF MARION COUNTY, FLORIDA.
REVISED OCTOBER 1980

SCHEDULE "A"

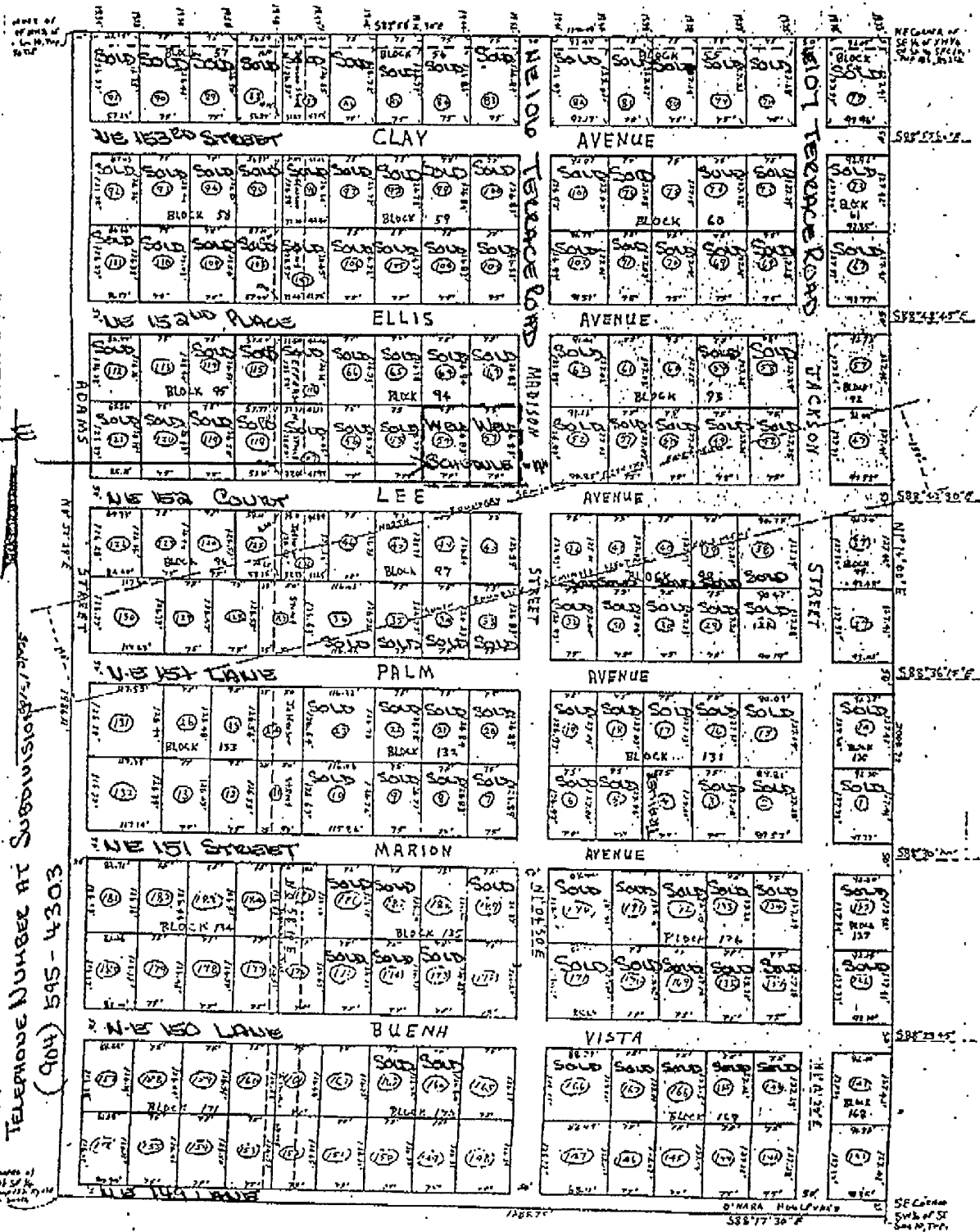
TELEPHONE NUMBER AT SUBDIVISION 595-4303
(904) 595-4303

ALTERNATE ROUTE:

SEE CURTIS & KOOKER PLAT BOOK A, PAGE 156A OF THE PUBLIC RECORDS OF MARION COUNTY, FLORIDA.

NOTE 1: Information shown was dated 1/8/80
by order of the Marion County Commissioners.
NOTE 2: Certain portions are for Record Keeping purposes only.

PREPARED BY
A.S. MOWAT, FORT Mc COY, FLORIDA
REGISTERED LAND SURVEYOR
FLORIDA CERTIFICATE NUMBER 443



1040NR

U.S. Nonresident Alien Income Tax Return

OMB No. 1545-0089

1999

Form Department of the Treasury Internal Revenue Service

For the year January 1-December 31, 1999, or other tax year

beginning 1999, and ending 1999

Personal information section including name (David L. SMALL), address (355 Princes St., Kincardine Ont. N2Z 2T7), and identifying number (UK 052 76 9095).

Filing Status and Exemptions for Individuals section with checkboxes for Single, Married, or Qualifying widow(er).

Caution: Do not check box 7a if your parent (or someone else) can claim you as a dependent. Do not check box 7b if your spouse had any U.S. gross income.

Table for dependents with columns for first name, last name, identifying number, relationship, and child tax credit eligibility.

Summary statistics: No. of boxes checked on 7a and 7b (2), No. of children on 7c who lived with you (2), Add numbers entered on lines above (4).

Main income tax table with columns for line number, description of income/expense, and amount. Total effectively connected income is 1345.00.

Vertical text on the left side: Please print or type. Attach Copy B of your Forms W-2 and W-3b here. Also attach Form(s) 1099-R if tax was withheld.

Vertical text on the left side: Enclose, but do not staple, any payment with your return.

Form 1040NR (1999)

PAGE 2

| | | | | | | |
|-----------------|---|--|-----|--|-----|-----------|
| Tax Computation | 34 | Amount from line 33 (adjusted gross income) | | | 34 | (1345.00) |
| | 35 | Itemized deductions from page 3, Schedule A, line 17 | | | 35 | Nil |
| | 36 | Subtract line 35 from line 34 | | | 36 | Nil |
| | 37 | Exemptions (see page 11) | | | 37 | Nil |
| | 38 | Taxable Income. Subtract line 37 from line 36. If line 37 is more than line 36, enter -0- | | | 38 | Nil |
| | 39 | Tax (see page 11). Check if any tax is from - a <input type="checkbox"/> Form(s) 8814 b <input type="checkbox"/> Form 4972. | | | 39 | Nil |
| Credits | 40 | Credit for child and dependent care expenses. Attach Form 2441 | 40 | | | |
| | 41 | Child tax credit (see page 11) | 41 | | | |
| | 42 | Adoption credit. Attach Form 8839 | 42 | | | |
| | 43 | Foreign tax credit. Attach Form 1116 if required | 43 | | | |
| | 44 | Other. Check if from a <input type="checkbox"/> Form 3800 b <input type="checkbox"/> Form 8396 c <input type="checkbox"/> Form 8801 d <input type="checkbox"/> Form (specify) | 44 | | | |
| | 45 | Add lines 40 through 44. These are your total credits | 45 | | | Nil |
| | 46 | Subtract line 45 from line 39. If line 45 is more than line 39, enter -0- | 46 | | | Nil |
| Other Taxes | 47 | Alternative minimum tax. Attach Form 6251 | 47 | | | |
| | 48 | Tax on income not effectively connected with a U.S. trade or business from page 4, line 82 | 48 | | | |
| | 49 | Social security and Medicare tax on tip income not reported to employer. Attach Form 4137 | 49 | | | |
| | 50 | Tax on IRAs, other retirement plans, and MSAs. Attach Form 5329 if required. | 50 | | | |
| | 51 | Transportation tax (see page 13) | 51 | | | |
| | 52 | Household employment taxes. Attach Schedule H (Form 1040) | 52 | | | |
| | 53 | Add lines 46 through 52. This is your total tax | 53 | | | Nil |
| Payments | 54 | Federal income tax withheld from Forms W-2, 1099, 1042-S, etc. | 54 | | | |
| | 55 | 1999 estimated tax payments and amount applied from 1998 return | 55 | | | |
| | 56 | Additional child tax credit. Attach Form 8812 | 56 | | | |
| | 57 | Amount paid with Form 4868 (request for extension) | 57 | | | |
| | 58 | Excess social security and RRTA tax withheld (see page 13) | 58 | | | |
| | 59 | Other payments. Check if from a <input type="checkbox"/> Form 2439 b <input type="checkbox"/> Form 4136 | 59 | | | |
| | 60 | Credit for amount paid with Form 1040-C. | 60 | | | |
| | 61 | U.S. tax withheld at source: | | | | |
| | | a From page 4, line 79 | 61a | | | |
| | | b By partnerships under section 1446 (from Form(s) 8805 or 1042-S) | 61b | | | |
| | 62 | U.S. tax withheld on dispositions of U.S. real property interests: | | | | |
| | | a From Form(s) 8288-A | 62a | | | |
| | | b From Form(s) 1042-S | 62b | | | |
| 63 | Add lines 54 through 62b. These are your total payments | 63 | | | Nil | |
| Refund | 64 | If line 63 is more than line 53, subtract line 53 from line 63. This is the amount you OVERPAID | 64 | | | Nil |
| | 65a | Amount of line 64 you want REFUNDED TO YOU. If you want it directly deposited, see page 14 and fill in 65b, c, and d | 65a | | | Nil |
| | | b Routing number <input type="text"/> c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings d Account number <input type="text"/> | | | | |
| | 66 | Amount of line 64 you want APPLIED TO YOUR 2000 ESTIMATED TAX | 66 | | | |
| Amount You Owe | 67 | If line 53 is more than line 63, subtract line 63 from line 53. This is the AMOUNT YOU OWE. For details on how to pay, including what to write on your payment, see page 14 | 67 | | | Nil |
| | 68 | Estimated tax penalty. Also include on line 67 | 68 | | | |

Sign Here

Keep a copy of this return for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature: _____ Date: April 28 2000 Your occupation in the United States: Land Developer

Paid Preparer's Use Only

Preparer's signature: _____ Date: April 28 2000 Check if self-employed Preparer's SSN or PTIN: 401 549 514

Firm's name (or yours if self-employed) and address: W. Van Dam, Sr. C.M.A., P. R. # 2, Tiverton Ont. EIN: _____ ZIP code: NOG 2 TO

Other Information (If an item does not apply to you, enter "N/A.")

A. What country issued your passport? N/A

B. Were you ever a U.S. citizen? Yes No

C. Give the purpose of your visit to the United States Selling Land

D. Type of entry visa and visa number N/A and type of current visa and date of change N/A

E. Date you first entered the United States

F. Did you give up your permanent residence as an immigrant in the United States this year? Yes No

G. Dates you entered and left the United States during the year. Residents of Canada or Mexico entering and leaving the United States at frequent intervals, give name of country only.

H. Give number of days (including vacation and nonwork days) you were present in the United States during: 1997 Nil, 1998 Nil, and 1999 21

I. If you are a resident of Canada, Mexico, Japan, or the Republic of Korea, or a U.S. national, did your spouse contribute to the support of any child claimed on Form 1040NR, line 7c? Yes No

If you were a resident of Japan or the Republic of Korea for any part of the tax year, enter in the space below your total foreign source income not effectively connected with a U.S. trade or business. This information is needed so that the exemption for your spouse and dependents residing in the United States (if applicable) may be allowed in accordance with Article 4 of the income tax treaties between the United States and Japan or the United States and the Republic of Korea.

Total foreign source income not effectively connected with a U.S. trade or business \$

J. Did you file a U.S. income tax return for any year before 1999? Yes No

K. To which Internal Revenue office did you pay any amounts claimed on Form 1040NR, lines 55, 57, and 60? N/A

L. Have you excluded any gross income other than foreign source income not effectively connected with a U.S. trade or business? Yes No

If "Yes," show the amount, nature, and source of the excluded income. Also, give the reason it was excluded. (Do not include amounts shown in item M.)

M. If you are claiming the benefits of a U.S. income tax treaty with a foreign country, give the following information. See page 17 for additional information.

Country Canada

Type and amount of effectively connected income exempt from tax. Also, identify the applicable tax treaty article. Do not enter exempt income on lines 8-15, 16b, and 17b-21 of Form 1040NR:

For 1999 (also, include this exempt income on line 22 of Form 1040NR)

For 1998

Type and amount of income not effectively connected that is exempt from or subject to a reduced rate of tax. Also, identify the applicable tax treaty article:

For 1999

For 1998

Were you subject to tax in that country on any of the income you claim is entitled to the treaty benefits? Yes No

Did you have a permanent establishment or fixed base (as defined by the tax treaty) in the United States at any time during 1999? Yes No

N. If you file this return to report community income, give your spouse's name, address, and identifying number.

N/A

O. If you file this return for a trust, does the trust have a U.S. business? Yes No

If "Yes," give name and address

P. Is this an "expatriation return" (see page 17)? Yes No

If "Yes," you must attach Form 8854 OR attach an explanation as to why you are not submitting that form.

Q. During 1999, did you apply for, or take other affirmative steps to apply for, lawful permanent resident status in the United States or have an application pending to adjust your status to that of a lawful permanent resident of the United States? Yes No

If "Yes," explain

LORMARBALANCE SHEETAS AT DECEMBER 31, 1999

(expressed in U.S. Currency)

ASSETSCurrent Assets:

| | | | |
|-----------------------|--|---------------|-----------|
| Toronto Dominion Bank | | \$ 14,499 | |
| Sun Bank | | 822 | |
| Mortgage Receivable | | 2,898 | |
| Inventory Lots | | <u>34,321</u> | \$ 52,540 |

Fixed Assets:

| | <u>Cost</u> | <u>Acc. Dep.</u> | <u>Net</u> | |
|--------------|--------------|------------------|------------|--------------|
| Sales Office | \$ 10,395 | \$ 6,829 | \$ 3,566 | |
| Pumphouse | 3,683 | 2,036 | 1,647 | |
| Well | 2,113 | - | 2,113 | |
| Pipeline | <u>1,614</u> | <u>845</u> | <u>769</u> | |
| | \$ 17,805 | \$ 9,710 | \$ 8,095 | <u>8,095</u> |
| | | | | \$ 60,635 |
| | | | | ===== |

LIABILITIES AND PARTNERS' EQUITYCurrent Liabilities:

| | | | |
|------------------|--|--------|--|
| Accounts Payable | | \$ 422 | |
|------------------|--|--------|--|

Partners' Equity:

| | | | |
|-----------------|--|--------------|---------------|
| Opening Balance | | \$ 64,316 | |
| Loss for Year | | <u>4,034</u> | |
| | | \$ 60,282 | |
| Drawings | | <u>69</u> | <u>60,213</u> |
| | | | \$ 60,635 |
| | | | ===== |

Unaudited

LORMARSTATEMENT OF INCOME AND EXPENSESFOR YEAR ENDING DECEMBER 31, 1999Income:

| | | |
|---------------------|----|------------|
| Sale of Lots | \$ | Nil |
| Interest Received | | Nil |
| Deed | | <u>475</u> |
| | \$ | 475 |
| Cost of Lots Sold | | <u>Nil</u> |
| <u>Gross Profit</u> | \$ | 475 |

Operating Expenses:

| | | |
|-------------------|----|--------------|
| Depreciation | \$ | 1,682 |
| Fees | | 306 |
| Legal | | 261 |
| Maintenance | | 81 |
| Professional Fees | | (727) |
| Property Taxes | | 2,149 |
| Telephone | | 250 |
| Utilities | | <u>507</u> |
| | | <u>4,509</u> |
| <u>Net Loss</u> | \$ | <u>4,034</u> |
| | | ===== |

Net Loss Apportioned as follows:

| | | |
|---------------|----|-------|
| David Small | \$ | 1,345 |
| Douglas Small | \$ | 1,344 |
| Kay Small | \$ | 1,345 |

Unaudited

LORMAR
CAPITAL COST ALLOWANCES SCHEDULE
DECEMBER 31, 1999

| | <u>Cost</u> | <u>Acc. Dep.</u> | <u>Net</u> | <u>Allowance</u> |
|---------------------------------|-------------|------------------|--------------|------------------|
| <u>PUMPHOUSE</u> | | | | |
| <u>Class 6%</u> | | | | |
| Opening Balance \$ | 3,683 | \$ 1,931 | \$ 1,752 | |
| Allowance | - | <u>105</u> | <u>105</u> | \$ 105 |
| Closing Balance \$ | 3,683 | \$ 2,036 | \$ 1,647 | |
| | ===== | ===== | ===== | |
| <u>PIPELINE</u> | | | | |
| <u>Class 6%</u> | | | | |
| Opening Balance \$ | 1,614 | \$ 796 | \$ 818 | |
| Allowance | - | <u>49</u> | <u>49</u> | 49 |
| Closing Balance \$ | 1,614 | \$ 845 | \$ 769 | |
| | ===== | ===== | ===== | |
| <u>Sales Office Trailer</u> | | | | |
| <u>Class 30%</u> | | | | |
| Opening Balance \$ | 10,395 | \$ 5,301 | \$ 5,094 | |
| Allowance | - | <u>1,528</u> | <u>1,528</u> | 1,528 |
| Closing Balance \$ | 10,395 | \$ 6,829 | \$ 3,566 | |
| | ===== | ===== | ===== | |
| <u>Total Cost Allowances</u> | | | | <u>\$ 1,682</u> |
| | | | | ===== |

Unaudited

1040NR
Department of the Treasury
Internal Revenue Service

U.S. Nonresident Alien Income Tax Return

For the year January 1-December 31, 2000, or other tax year

OMB No. 1545-0089

2000

beginning 2000, and ending 20

Please print or type.
Attach Forms W-2 and W-20 here.
Also attach Form(s) 1099-R if tax was withheld.

Your first name and initial: David L.
Last name: SMALL
Identifying number (see page 5 of inst): UK 052 76 9095

Present home address (number, street, and apt. no., or rural route). If you have a P.O. box, see page 5.
355 Princes St.,
Check if: Individual
 Estate or Trust

City, town or post office, state, and ZIP code. If you have a foreign address, see page 5.
KINCARDINE ONT. N2Z 2T7
For Disclosure and Paperwork Reduction Act Notice, see page 18.

Country: Canada
Of what country were you a citizen or national during the tax year? Canada

Give address outside the United States to which you want any refund check mailed. If same as above, write "Same."
SAME

Give address in the country where you are a permanent resident. If same as above, write "Same."
SAME

Filing Status and Exemptions for Individuals (See page 6.)

| Filing status. Check only one box (1-6 below). | 7a Yourself | 7b Spouse |
|--|-------------|-----------|
| 1 <input type="checkbox"/> Single resident of Canada or Mexico, or a single U.S. national | | |
| 2 <input type="checkbox"/> Other single nonresident alien | | |
| 3 <input checked="" type="checkbox"/> Married resident of Canada or Mexico, or a married U.S. national | 1 | 1 |
| 4 <input type="checkbox"/> Married resident of Japan or the Republic of Korea | | |
| 5 <input type="checkbox"/> Other married nonresident alien | | |
| 6 <input type="checkbox"/> Qualifying widow(er) with dependent child (year spouse died) (See page 6.) | | |

Caution: Do not check box 7a if your parent (or someone else) can claim you as a dependent.
Do not check box 7b if your spouse had any U.S. gross income.

7c Dependents:

| (1) First name | Last name | (2) Dependent's identifying number | (3) Dependent's relationship to you | (4) <input checked="" type="checkbox"/> if qualifying child for child tax credit (see page 8) |
|----------------|-----------|------------------------------------|-------------------------------------|---|
| Christopher | Small | 053:76:0489 | Son | <input checked="" type="checkbox"/> |
| Brent | Small | 051:76:8511 | Son | <input checked="" type="checkbox"/> |

No. of boxes checked on 7a and 7b: 2

No. of your children on 7c who:

- *lived with you: 2
- **did not live with you due to divorce or separation: 0
- **Dependents on 7c not entered above: 0

Add numbers entered on lines above: 4

*Applies generally only to residents of Canada, Mexico, Japan, and the Republic of Korea and to U.S. nationals. (See page 6.)
**Applies generally only to residents of Canada and Mexico and to U.S. nationals. (See page 6.)

d Total number of exemptions claimed: 4

| Income Effectively Connected With U.S. Trade/Business | 8 | 9a | 9b | 10 | 11 | 12 | 13 | 14 | 15 | 16a | 16b | 17a | 17b | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 |
|--|---|----|----|----|----|----|----|----|----|-----|-----|-----|-----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----------|
| 8 Wages, salaries, tips, etc. Attach Form(s) W-2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9a Taxable interest | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9b Tax-exempt interest. Do not include on line 9a | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10 Ordinary dividends | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 11 Taxable refunds, credits, or offsets of state and local income taxes (see page 7) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12 Scholarship and fellowship grants. Attach explanation (see page 7) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 13 Business income or (loss). Attach Schedule C or C-EZ (Form 1040) Loss | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 14 Capital gain or (loss). Attach Schedule D (Form 1040) if required. If not required, check here <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 15 Other gains or (losses). Attach Form 4797 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 16a Total IRA distributions | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 16b Taxable amount (see page 7) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 17a Total pensions and annuities | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 17b Taxable amount (see page 8) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 18 Rental real estate, royalties, partnerships, trusts, etc. Attach Schedule E (Form 1040) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 19 Farm income or (loss). Attach Schedule F (Form 1040) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 20 Unemployment compensation | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 21 Other income. List type and amount (see page 9) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 22 Total income exempt by a treaty from page 5, Item M | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 23 Add lines 8, 9a, 10-15, 16b, and 17b-21. This is your total effectively connected income | | | | | | | | | | | | | | | | | | | | | | | | | | | | | (799.00) |
| 24 IRA deduction (see page 9) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 25 Student loan interest deduction (see page 9) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 26 Medical savings account deduction. Attach Form 8853 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 27 Moving expenses. Attach Form 3903 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 28 Self-employed health insurance deduction (see page 10) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 29 Self-employed SEP, SIMPLE, and qualified plans | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 30 Penalty on early withdrawal of savings | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 31 Scholarship and fellowship grants excluded | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 32 Add lines 24 through 31 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 33 Subtract line 32 from line 23. Enter here and on line 34. This is your adjusted gross income | | | | | | | | | | | | | | | | | | | | | | | | | | | | | (799.00) |

| | | | | |
|-----------------|--|---|-----|----------|
| Tax and Credits | 34 | Amount from line 33 (adjusted gross income) | 34 | (799.00) |
| | 35 | Itemized deductions from page 3, Schedule A, line 17 | 35 | Nil |
| | 36 | Subtract line 35 from line 34 | 36 | Nil |
| | 37 | Exemptions (see page 11) | 37 | Nil |
| | 38 | Taxable income. Subtract line 37 from line 36. If line 37 is more than line 36, enter -0- | 38 | Nil |
| | 39 | Tax (see page 11). Check if any tax is from a <input type="checkbox"/> Form(s) 8814 b <input type="checkbox"/> Form 4972. | 39 | Nil |
| | 40 | Alternative minimum tax. Attach Form 6251 | 40 | Nil |
| | 41 | Add lines 39 and 40 | 41 | Nil |
| | 42 | Foreign tax credit. Attach Form 1116 if required | 42 | |
| | 43 | Credit for child and dependent care expenses. Attach Form 2441 | 43 | |
| 44 | Child tax credit (see page 12) | 44 | | |
| 45 | Adoption credit. Attach Form 8839 | 45 | | |
| 46 | Other. Check if from a <input type="checkbox"/> Form 3800 b <input type="checkbox"/> Form 8396 c <input type="checkbox"/> Form 8801 d <input type="checkbox"/> Form (specify) | 46 | | |
| 47 | Add lines 42 through 46. These are your total credits | 47 | Nil | |
| 48 | Subtract line 47 from line 41. If line 47 is more than line 41, enter -0- | 48 | Nil | |
| Other Taxes | 49 | Tax on income not effectively connected with a U.S. trade or business from page 4, line 83 | 49 | |
| | 50 | Social security and Medicare tax on tip income not reported to employer. Attach Form 4137 | 50 | |
| | 51 | Tax on IRAs, other retirement plans, and MSAs. Attach Form 5329 if required | 51 | |
| | 52 | Transportation tax (see page 13) | 52 | |
| | 53 | Household employment taxes. Attach Schedule H (Form 1040) | 53 | |
| | 54 | Add lines 48 through 53. This is your total tax | 54 | |
| Payments | 55 | Federal income tax withheld from Forms W-2, 1099, 1042-S, etc. | 55 | |
| | 56 | 2000 estimated tax payments and amount applied from 1999 return | 56 | |
| | 57 | Excess social security and RRTA tax withheld (see page 13) | 57 | |
| | 58 | Additional child tax credit. Attach Form 8812 | 58 | |
| | 59 | Amount paid with Form 4868 (request for extension) | 59 | |
| | 60 | Other payments. Check if from a <input type="checkbox"/> Form 2439 b <input type="checkbox"/> Form 4136 | 60 | |
| | 61 | Credit for amount paid with Form 1040-C. | 61 | |
| | 62 | U.S. tax withheld at source: a From page 4, line 80 | 62a | |
| | 62b | By partnerships under section 1446 (from Form(s) 8805 or 1042-S) | 62b | |
| | 63 | U.S. tax withheld on dispositions of U.S. real property interests: a From Form(s) 8288-A | 63a | |
| 63b | From Form(s) 1042-S | 63b | | |
| 64 | Add lines 55 through 63b. These are your total payments | 64 | Nil | |
| Refund | 65 | If line 64 is more than line 54, subtract line 54 from line 64. This is the amount you overpaid. | 65 | Nil |
| | 66a | Amount of line 65 you want refunded to you. If you want it directly deposited, see page 14 and fill in 66b, c, and d | 66a | Nil |
| | 67 | Amount of line 65 you want applied to your 2001 estimated tax | 67 | |
| Amount You Owe | 68 | If line 54 is more than line 64, subtract line 64 from line 54. This is the amount you owe. For details on how to pay, including what to write on your payment, see page 14 | 68 | Nil |
| | 69 | Estimated tax penalty. Also include on line 68 | 69 | |

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here
 Your signature: _____
 Your occupation in the United States: **Land Developer**
 Date: **Apr. 28/2000**
 May the IRS discuss this return with the preparer shown below (see page 17)? Yes No

Paid Preparer's Use Only
 Preparer's signature: _____
 Date: **Apr. 28/2000**
 Check if self-employed
 Preparer's SSN or PTIN: **401 549 514**
 Firm's name (or yours if self-employed), address, and ZIP code: **W. Van Dam Sr., C.M.A., R.R. # 2, Tiverton Ont.**
 EIN: _____
 Phone no.: **(519) 368 7222**

Other Information (If an item does not apply to you, enter "N/A.")

A What country issued your passport? ..N/A.....

B Were you ever a U.S. citizen? Yes No

C Give the purpose of your visit to the United States ▶.....
Selling Land

D Type of entry visa and visa number ▶ ..N/A.....
and type of current visa and date
of change ▶ ..N/A.....

E Date you first entered the United States ▶

F Did you give up your permanent residence as an immigrant in the United States this year? Yes No

G Dates you entered and left the United States during the year. Residents of Canada or Mexico entering and leaving the United States at frequent intervals, give name of country only. ▶

H Give number of days (including vacation and nonwork days) you were present in the United States during:
1998: ..21.. , 1999: ..21.. , and 2000: ..21..

I If you are a resident of Canada, Mexico, Japan, or the Republic of Korea, or a U.S. national, did your spouse contribute to the support of any child claimed on Form 1040NR, line 7c? Yes No

If "Yes," enter amount ▶ \$.....
If you were a resident of Japan or the Republic of Korea for any part of the tax year, enter in the space below your total foreign source income not effectively connected with a U.S. trade or business. This information is needed so that the exemption for your spouse and dependents residing in the United States (if applicable) may be allowed in accordance with Article 4 of the income tax treaties between the United States and Japan or the United States and the Republic of Korea.

Total foreign source income not effectively connected with a U.S. trade or business ▶ \$.....

J Did you file a U.S. income tax return for any year before 2000? Yes No
If "Yes," give the latest year and form number ▶ 99.....
1040 NR

K To which Internal Revenue office did you pay any amounts claimed on Form 1040NR, lines 56, 59, and 61?

L Have you excluded any gross income other than foreign source income not effectively connected with a U.S. trade or business? .. Yes No

If "Yes," show the amount, nature, and source of the excluded income. Also, give the reason it was excluded. (Do not include amounts shown in item M.) ▶

M If you are claiming the benefits of a U.S. income tax treaty with a foreign country, give the following information. See page 17 for additional information.

• Country ▶ ..CANADA.....

• Type and amount of effectively connected income exempt from tax. Also, identify the applicable tax treaty article. Do not enter exempt income on lines 8-15, 16b, and 17b-21 of Form 1040NR:

For 2000 (also, include this exempt income on line 22 of Form 1040NR) ▶

For 1999 ▶

• Type and amount of income not effectively connected that is exempt from or subject to a reduced rate of tax. Also, identify the applicable tax treaty article:

For 2000 ▶

For 1999 ▶

• Were you subject to tax in that country on any of the income you claim is entitled to the treaty benefits? Yes No

• Did you have a permanent establishment or fixed base (as defined by the tax treaty) in the United States at any time during 2000? Yes No

N If you file this return to report community income, give your spouse's name, address, and identifying number.

O If you file this return for a trust, does the trust have a U.S. business? Yes No
If "Yes," give name and address ▶

P Is this an "expatriation return" (see page 17)? Yes No

If "Yes," you must attach Form 8854 or attach an explanation as to why you are not submitting that form.

Q During 2000, did you apply for, or take other affirmative steps to apply for, lawful permanent resident status in the United States or have an application pending to adjust your status to that of a lawful permanent resident of the United States? Yes No

If "Yes," explain ▶

LORMARBALANCE SHEETAS AT DECEMBER 31, 2000

(expressed in U.S. Currency)

ASSETSCurrent Assets:

| | | | |
|-----------------------|--|---------------|-----------|
| Toronto Diminion Bank | | \$ 3,716 | |
| Sun Bank | | 672 | |
| Mortgage Receivable | | 2,898 | |
| Inventory Lots | | 30,321 | |
| Investments | | <u>13,466</u> | \$ 51,073 |

Fixed Assets:

| | <u>Cost</u> | <u>Acc. Dep.</u> | <u>Net</u> | |
|--------------|--------------|------------------|------------|--------------|
| Sales Office | \$ 10,395 | \$ 7,899 | \$ 2,496 | |
| Pumphouse | 3,683 | 2,135 | 1,548 | |
| Well | 2,113 | - | 2,113 | |
| Pipeline | <u>1,614</u> | <u>891</u> | <u>723</u> | |
| | \$ 17,805 | \$ 10,925 | \$ 6,880 | <u>6,880</u> |
| | | | | \$ 57,953 |
| | | | | ===== |

LIABILITIES AND PARTNERS' EQUITYCurrent Liabilities:

| | | |
|------------------|--|--------|
| Accounts Payable | | \$ 202 |
|------------------|--|--------|

Partners' Equity:

| | | |
|-----------------|--------------|---------------|
| Opening Balance | \$ 60,213 | |
| Loss for Year | <u>2,397</u> | |
| | \$ 57,816 | |
| Drawings | <u>65</u> | <u>57,751</u> |
| | | \$ 57,953 |
| | | ===== |

Unaudited

LORMARSTATEMENT OF INCOME AND EXPENSESFOR YEAR ENDING DECEMBER 31, 2000

| | | | |
|----------------------------|--------------|------------|-------------------|
| <u>Income</u> | Sale of Lots | | \$ 5,319 |
| <u>Cost of Lots Sold</u> | | | <u>4,000</u> |
| <u>Gross Profit</u> | | | \$ 1,319 |
| <u>Operating Expenses:</u> | | | |
| Depreciation | | \$ 1,215 | |
| Fees & Dues | | 149 | |
| Professional Fees | | 202 | |
| Property Taxes | | 1,855 | |
| Telephone | | 76 | |
| Utilities | | <u>219</u> | <u>3,716</u> |
| <u>Net Loss</u> | | | \$ 2,397 ===== |

Net Loss Apportioned as follows:

| | |
|---------------|--------|
| David Small | \$ 799 |
| Douglas Small | \$ 799 |
| Kay Small | \$ 799 |

Unaudited

LORMAR
CAPITAL COST ALLOWANCES SCHEDULE
DECEMBER 31, 2000

| <u>Pumphouse</u> | <u>Cost</u> | <u>Acc. Dep.</u> | <u>Net</u> | <u>Allowance</u> |
|----------------------------------|-------------------|-------------------|-------------------|------------------------------|
| <u>Class 6%</u> | | | | |
| Opening Balance | \$ 3,683 | \$ 2,036 | \$ 1,647 | |
| Allowance | <u>-</u> | <u>99</u> | <u>99</u> | \$ 99 |
| Closing Balance | \$ 3,683 ===== | \$ 2,135 ===== | \$ 1,548 ===== | |
| <u>Pipeline</u> | | | | |
| <u>Class 6%</u> | | | | |
| Opening Balance | \$ 1,614 | \$ 845 | \$ 769 | |
| Allowance | <u>-</u> | <u>46</u> | <u>46</u> | 46 |
| Closing Balance | \$ 1,614 ===== | \$ 891 ===== | \$ 723 ===== | |
| <u>Sales Office Trailer</u> | | | | |
| <u>Class 30%</u> | | | | |
| Opening Balance | \$ 10,395 | \$ 6,829 | \$ 3,566 | |
| Allowance | <u>-</u> | <u>1,070</u> | <u>1,070</u> | 1,070 |
| Closing Balance | \$ 10,395 | \$ 7,899 | \$ 2,496 | |
| <u>Total Cost Allowances</u> | | | | <u>\$ 1,215</u> ===== |