Sims & Company

CHARTERED ACCOUNTANT
PROFESSIONAL CORPORATION

346 Forman Avenue
Toronto, Ontario M4S 2S7
Tel 416-481-9101
Fax 416-481-7693
www.simsandcompany.com

CA

February 12, 2015

Dear Client:

RE: 2014 Personal tax returns

We have enclosed a number of checklists to help you co-ordinate and record your tax information. This process will also help us save time if all documentation and information is current and complete.

The following checklists are enclosed with this mailing (copies of all checklists are available on our website www.simsandcompany.com):

Taxpayer Situation	Checklists to be completed
Employee with no employment expenses	Complete Form 1, 2
Employee with employment expenses (include completed and signed T2200)	Complete Form 1, 2, 3
Self employed	Complete Form 1, 2, 4
Partner earning self employed income	Complete Form 1, 2, 3
Taxpayer with rental income	Complete Form 5
Taxpayer with medical expenses	Complete Form 6
Held foreign property, including stocks or bonds, during the year	Review and complete Form 7 if applicable

We have also enclosed our engagement letter for your review and signature. This letter documents the terms of our engagement to provide you with personal income tax services. A signed copy of this letter must be received in order to allow us to proceed with the preparation of your tax return.

Please do not hesitate to contact us with any questions you may have either of a general nature or in connection with completing the 2014 tax forms. We remind you to visit our website at www.simsandcompany.com.

We are always interested in expanding our personal tax practice. We appreciate all referrals from our clients and would ask that you pass along our contact information where appropriate.

Yours very truly,
SIMS & COMPANY
CHARTERED ACCOUNTATN PROFESSIONAL CORPORATION

Steven Sims

Steven Sims, CPA, CA

CA

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February 6, 2015

Subject: Letter of Engagement

Dear Client:

We appreciate the opportunity to work with you and advise you on income tax matters. Canada Revenue Agency (CRA) impose penalties upon taxpayers, and upon us as tax return prepares, for failure to observe due care in reporting on your income tax returns. In order to ensure an understanding of our mutual responsibilities, we ask all clients for whom we prepare tax returns to confirm the following arrangements.

We will prepare your 2014 personal income tax return based on information that you provide to us. We will not audit or otherwise verify the data you submit, although we may ask you for clarification of some of the information. It is our responsibility to prepare your tax return correctly according to the law and the information that you have provided. It is your responsibility to provide us with all the information required to prepare complete and accurate returns. You should retain all the documents, cancelled cheques and other data that form the basis of your income and deductions. These may be necessary to prove the accuracy and completeness of the return to CRA. You have the final responsibility for the income tax return and, therefore, you should review it carefully before you sign it.

By signing this letter, you represent that you will provide us with accurate and complete information necessary to prepare your tax return. This includes informing us of all interests you held in foreign properties with an aggregate cost in excess of $100,000 at any time in the year, as well as all income from any foreign properties regardless of their aggregate value and all income and transactions relating to non-resident trusts.

Our business respects the privacy of personal information, that is, information that identifies you as an individual, or that is associated with such identifying information. By engaging our services, you agree to provide such personal information as is necessary for us to meet your service requests.

Before you provide us with any personal information on behalf of others, you agree that you will have obtained consent for collecting, using and disclosing this information, according to current Canadian privacy legislation.

We confirm to you that we will not rent, sell or otherwise make your personal information, including contact information, available to any third-party without your permission. We use your information to complete your service requests, to inform you of changes in our business or service offerings, and to maintain our professional correspondence with you.

We follow rigorous privacy practices and we have a privacy policy that governs our use and handling of the information you provide to us. We invite you to contact our office if you would like additional information about these practices.

To change your contact information or to let us know if there are any types of correspondence you do not wish to receive from our office, please contact us.

Upon completion of your income tax return or after providing advice or other services on any matters respecting same, we will render you a bill for services at our usual billing rate. It is agreed this invoice will be paid upon receipt. Any amounts outstanding will be charged interest at 1% per month (12% annum).

Before your return can be electronically filed (Efiled) this engagement letter, one per family, along with the signed T183 form, (Information Return for Electronic Filing of an Individual's Income tax and Benefit Return), one per tax payer, must be returned to Sims & Company.

CRA may select your return for review. Often they request copies of your receipts and other times they may require a full audit. Any adjustments proposed by CRA are subject to certain rights of appeal. In the event of such tax examinations, we will be available upon request to represent you and will render additional invoices for the time and expenses incurred.

If this letter accurately reflects your understanding, please acknowledge your agreement by signing and returning to us the enclosed copy. Please feel free to call us with any questions or concerns at (416) 481-9101. Thank you for your trust in our business.

Sincerely yours,

SIMS & COMPANY
CHARTERED ACCOUNTANT
PROFESSIONAL CORPORATION

The services and terms as set out above are as agreed. As well, I acknowledge and accept my responsibilities as the taxpayer as outlined above.

______________________________ ________________________

Signature Date

____

Print Name

Form 1
2014 Personal Income Tax Return Checklist

Income

<u>All "T" slips</u>

T-4 Slips - Employment income

T-3 & T-5, T600 Slips - Interest and dividend income (including details of interest bearing investments such as Canada Savings Bonds and Treasury Bills)

T4A Slips - Pension income, annuity payments, other income

Miscellaneous Income - Old Age (T4A OAS) and Canada Pension Income (T4A-CP), RRSP withdrawals, any other sources of income

<u>All broker and investment annual summaries and statements</u>

Capital Gains and Losses - Copies of brokerage statements and year end summaries, details of sales of rental properties, etc.

Rental Income - Details of rental income and expenses

Self-employment Income - Details of self-employment (or partnership) income and expenses

Foreign Income or investment in foreign properties - Details of foreign income and any taxes withheld (foreign reporting slips, if provided). Advise us of total cost of investment or investment on foreign property.

RC62 – Statement of Universal Child Care Benefit

<u>Deductions</u>

Carrying Charges - Details of interest expense (confirmation from the financial institution for large amounts), safety deposit box rentals, any other investment-related fees

General - Tax receipts for RRSP contributions, professional and union dues and tuition fees

Other - Details supporting child care expenses including some school fees and camps; maintenance and alimony payments; moving expenses and eligible employment expenses with Form T2200 signed by employer; adoption expenses

Tax shelters - 2014 financial statements and T5013 of tax shelter investments, (i.e. oil and gas ventures, etc.)

<u>Personal Exemptions</u>

Medical/Dental expenses (provide receipts for items not covered by OHIP or private insurance)

Charitable and political donations (provide receipts)

Details of spouse's and dependants' incomes (and expenses) for the year

Details of eligible public transit pass expense. Details of eligible fitness or arts tax credit expense for children under 16

Provide form T2201 – Disability tax credit certificate for disabled taxpayer or dependents

Miscellaneous

Photocopies of recent correspondence and 2013 notice of assessment from Canada Customs & Revenue Agency

Rent and property tax payments on principal residence

Installments of income tax - details of 2014 quarterly installments to Canada Customs & Revenue Agency

Are you a US citizen; green card holder or were you or your parents born in the USA

Form 2
2014 INDIVIDUAL INCOME TAX RETURN INFORMATION

PERSONAL IDENTIFICATION

Your Name: ______________________
E-mail address ______________________
Telephone: Business ( ) ______________________
Residence ( ) ______________________
Social Insurance Number: ______________________
Date and Country of Birth: ______________________
Residence Address: ______________________
City, Province, Postal Code: ______________________
Name of Present Employer: ______________________

Marital Status as of December 31, 2014 (Please circle one)

Married Common Law Widowed Divorced Separated Single

Previous status if changed during the year and date of change: ______________________

SPOUSAL/COMMON LAW INFORMATION

Full Name of Spouse/Partner: ______________________

Social Insurance Number: ______________________

Date and Country of Birth: ______________________

Net Income (if we do not prepare tax return) ______________________

-	Child # 1	Child # 2	Child # 3	Child # 4	Child # 5
Name of Dependant	-	-	-	-	-
Relationship to Self	-	-	-	-	-
Date and Country of Birth	-	-	-	-	-
Social Insurance Number	-	-	-	-	-
Income Earned By Dependant	-	-	-	-	-

2014 MISCELLANEOUS INFORMATION

Property Taxes Paid in year: _________ # of months you owned this year
Total Rental Payment made during the year:
Name and address of landlord: ______________________
Number of months rented this year: ______________________

Form 3
STATEMENT OF 2014 EMPLOYMENT/PARTNERSHIP ACTIVITIES

Name **Period over which expenses incurred (if not entire tax year):**

EMPLOYMENT EXPENSES (including GST/HST):	TOTAL FOR YEAR	OFFICE IN HOME EXPENSES:	TOTAL FOR YEAR
Accounting and legal fees**		Heat	
Advertising and promotion**		Electricity	
Allowable motor vehicle expenses (from below)		Water	
Entertainment promotion for clients:*		Home maintenance and repairs	
Tickets -total ______		Insurance** (commission employees only)	
Other -total ______		Property taxes** (commission employees only)	
Meals -total ______		Rent	
Total cost -total ______ X 50%			
Lodging costs		Other home related expense (specify)	
Other travel costs			
Business parking (do not list a second time in the auto expense section below)		**Total home expenses**	
Office supplies		(A)Total square feet available in home	
Telephone		(B) Total square feet used exclusively for employment purposes	
Allowable portion - office in home (from below)			
Other expenses (specify on separate list)		% used exclusively for employment (A/B)	
TOTAL EXPENSES		**DEDUCTIBLE AMOUNT**	
* club membership fees are not deductible		** only commissioned salespersons can claim	

AUTOMOBILE EXPENSES	TOTAL FOR YEAR	DETAILS OF OWNERSHIP	
EXPENSES:		Make & model of auto	
Fuel (gasoline, propane, oil)		Was auto purchased, leased or disposed of in year?	
Maintenance and repairs (including washes)		Date of purchase or lease (if such event occurred during tax year)	
Insurance		Total cost of auto if purchased Total monthly lease payment if leased	
License and registration fees		(If leased, please list MSRP) (manufacturer's suggested retail)	
Capital cost allowance (Sims will calculate)			
Interest exp (if auto is financed)		Date of disposition or lease termination (if such event occurred during the tax year)	
Leasing expense (total paid for the year)		Proceeds of disposition (if applicable)	
Other expenses (specify)		A. KM driven for employment purposes	
Other:		B. Total KM driven during the year	
Total expenses (D)		C. Employment usage (A/B)	
Employment portion (D X C)			
Re-imbursement from employer			

Form 4

STATEMENT OF 2014 SELF EMPLOYED PROFESSIONAL/BUSINESS ACTIVITIES

Business operating name:

Business address:

Expenses are for the period:

Main Product or Service

GST/HST filing status: Regular ___ Quick____ Not registered____

BN –GST/HST number:

	TOTAL FOR YEAR
TOTAL SALES (from page 2)	
EXPENSES (including GST):	
Advertising and promotion	
Meals & entertainment (from page 2)	
Bad debts	
Insurance	
Interest, bank charges	
Business tax, fees, licenses, dues, memberships and subscriptions	
Office expenses	
Other supplies, materials	
Legal, accounting and other professional fees	
Management and administration fees	
Rent (excluding your home)	
Maintenance and repairs (except motor vehicle)	
Salaries, wages and benefits (including employer's contributions)	
Property taxes (excluding your home)	
Travel (Including transportation fees, accommodations, and allowable part of meals)	
Telephone and utilities	
Fuel costs (except for motor vehicles)	
Delivery, freight and express	
Automobile expenses (from page 2)	
Allowance on eligible capital property	
Capital cost allowance (CCA)	
Equipment rental	
Office in home (from page 2)	
Other expenses (specify)	
TOTAL EXPENSES	
NET BUSINESS INCOME (REVENUE LESS EXPENSES)	

FIXED ASSET PURCHASES (We Recommend that amounts less than $500 be expensed)	
Computer hardware	
Furniture / fixtures (please specify)	
Other (please specify)	

Form 4(continued)
STATEMENT OF 2014 SELF EMPLOYED PROFESSIONAL/BUSINESS ACTIVITIES

REVENUES	TOTAL SALES
A. Sales (before GST or HST) (non-participating provinces)	
B. Sales (before GST or HST) (HST harmonized provinces)	
C. Add: HST billed at 13%	
D. Add: HST/GST at other than 13%	
E. Total Sales (A + B + C + D)	
F. Less: HST payable using quick method 8.8 on Ont sales Less 1% reduction on first $30,000 of sales	
Net gross revenue (E-F) (to page 1)	

AUTOMOBILE EXPENSES	TOTAL	DETAILS OF AUTOMOBILE	
Fuel and oil			
Maintenance and repairs		Make & model of auto	
Insurance		Was auto purchased, leased or disposed of in year?	
License and registration fees		Date of acquisition or lease, if applicable	
Interest (excl. principal) & finance charges		Total cost of auto/monthly lease	
Interest with respect to a motor vehicle other than an automobile			
Leasing costs		Date of disposition, if applicable	
Other (specify)		Proceeds of disposition	
CCA claim			
Total expenses		A. KM driven for business use	
Less: personal portion (D)		B. Total KM driven in year	
Sub-total		C. BUSINESS PORTION (A/B)	
ADD: PARKING FOR BUSINESS PURPOSES (100% DEDUCTIBLE)		D. PERSONAL PORTION (1-C)	
TOTAL (TO PAGE 1)			

OFFICE IN HOME EXPENSES:	TOTAL	ENTERTAINMENT & PROMOTION	TOTAL
Heat			
Electricity (hydro)			
Water			
Insurance		Business meals & beverages	
Maintenance and repairs		Other entertainment and tickets*	
Mortgage interest (excluding principal)		Total	
Property taxes		50% of Total **	
Rent		**Deductible portion (to page 1)**	
Other (specify)			
Total home expenses		(*) Fixed club dues are not deductible	
(A)Total square feet available in home		(**) Deductibility of business meals is restricted to 50%	
(B) Total square feet used for business			
% used for business purposes (A/B)			
BUSINESS PORTION (to page 1)			

Form 5

STATEMENT OF 2014 REAL ESTATE RENTALS

Address of property:____________________________________

For the period from: ____________ to _____________

Details of other co-owners or partners:

Name	% Ownership

	Total	Personal %	Total less personal %
Gross rental income			
Other related income			
Total income			
Expenses:			
Advertising			
Insurance			
Interest			
Office Expenses			
Legal Fees			
Accounting Fees			
Other Professional Fees			
Maintenance & Repairs			
Management & Administration Fees			
Condo Maintenance Fees			
Salaries, wages & benefits (employer's contributions)			
Property taxes			
Travel			
Utilities			
Motor Vehicle Expenses (not including CCA)			
Other Expenses			
Total expense			
		Net Rent	

Details of building, land or equipment additions or dispositions during the year:

Property details	Amount

Form 6

STATEMENT OF 2014 MEDICAL EXPENSES

Receipt Ref (*)	Date Paid	Name of Patient	Payment made to	Description of expenses (Dental, prescriptions, etc.)	Amount
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
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32					
33					
34					
35					

*** Receipts must be numbered and attached to this form.**

Form 7
STATEMENT OF 2014 FOREIGN PROPERTY HOLDINGS

Estimated cost of property foreign property (in Canadian dollars) held at anytime during the year (rounded to nearest $10,000)

1. Funds held outside Canada

Name of bank/other entity holding the funds	Country code	Maximum funds held during the year	Funds held at year end	Income (loss)
1)				
2)				
		TOTAL		

2. Shares of non-resident corporations (other than foreign affilates)

Name of corporation	Country Code	Maximum cost amount during the year	Cost amount at year end	Income (loss)	Gain (loss) on disposition
1)					
2)					
			TOTAL		

3. Indebtedness owed by non-resident

Name of corporation	Country Code	Maximum cost amount during the year	Cost amount at year end	Income (loss)	Gain (loss) on disposition
1)					
2)					
			TOTAL		

4. Interest in non-resident trusts

Name of trust	Country Code	Maximum cost amount during the year	Cost amount at year end	Income received	Capital received	Gain (loss) on disposition
1)						
2)						
				TOTAL		

5. Real property outside Canada (other than personal use and real estate used in an active business)

Description of property	Country Code	Maximum cost amount during the year	Cost amount at year end	Income (loss)	Gain (loss) on disposition
1)					
2)					
3)					
			TOTAL		

6. Other property outside Canada

Name of corporation	Country Code	Maximum cost amount during the year	Cost amount at year end	Income (loss)	Gain (loss) on disposition
1)					
2)					
3)					
			TOTAL		

7. Property held in an account with a Canadian registered securities dealer or a Canadian trust company

Name of registed security dealer/Canadian trust company	Country Code	Maximum fair market value during the year	Fair market value at year end	Income (loss)	Gain (loss) on disposition
1)					
2)					
3)					
			TOTAL		

PLEASE COMPLETE THE FORM IF YOUR FOREIGN PROPERTY EXCEEDED $100,000 AT ANY TIME DURING 2014 **(A PDF fillable version of this form is available on our website. See form T1135-Fill under Infor Centre-CRA Tax Forms**

Foreign property includes:
- Shares or bonds of non-resident corporations (ie IBM) on deposit with a Canadian broker
- Bonds, debentures or other debts of non-resident governments (ie US T-Bills)

Foreign property does not include:
- Shares or other foreign investments held in a RRSP