

CASE 3: DEEPAK SINGH – INVESTOR

Deepak is single and has never been married. He is a self-employed IT contractor and the sole owner-manager of a successful I/T consulting corporation where he works and runs the operation full-time. The following is the personal and corporate information provided by Deepak:

Personal information

SIN: 486 784 123
Address: 850 Tapscott Dr.
Sydney, Nova Scotia
B1L 1B9
Date of birth: January 23, 1986

Corporate Information

Corporation Name: Skylar Global Solutions Ltd.
Business number 98754 1244 RC0001
Address: Same as home address
Revenue: \$ 1,455,250
Net income \$ 445,500

He is also an avid investor with a couple of real estate properties and a portfolio of investments that he actively manages with an investment advisor. He is a big fan of Canadian blue-chip dividend paying companies. He does have some US-based companies in his portfolio, but focuses mainly on Canadian blue chip companies.

Attached to his tax documentation are his 2022 tax slips and other documents necessary to prepare his tax return, including a spreadsheet summary of his investment portfolio transactions and another spreadsheet providing the breakdown of rental income, expenses along with his notes on these two properties. (Two worksheets provided in one Excel file – PDF printouts also included. Use whichever you prefer but they have the same information).

The following is additional information provided by Deepak in his package that will help us prepare his tax return:

Two Rental properties

Deepak has 2 condominiums that he currently utilizes as rental properties. He has provided us with the attached spreadsheet along with all his notes on the property. In the past, Deepak has not claimed any CCA on these properties and does not wish to do so this year.

TD Waterhouse Self-Directed Accounts

Commissions on sales of stocks Canadian stocks - \$ 758.00

TD Wealth Management – Management Fees

Direct Trading Account: \$ 4,850.00 + 630.50 HST = \$ 5,480.50

RRSP Account: \$ 6,785.50 + 882.12 HST = \$ 7,667.62

TFSA Account: \$ 1,080.75 + 140.50 = \$ 1,221.25

Deepak also provided us with additional information he believes are necessary to fully complete 'the investment portion' of his tax return accurately. A few years ago he obtained an investment loan through his advisor in the amount of \$250,000 that he put directly to his non-registered investments. Deepak also calculated the total mutual fund fees he estimates he pays based on the mutual funds in his portfolio and the management expense ratio (MER) he obtained from his investment reports.

Interest on money investment loan \$ 17,452.20

Mutual fund management fees \$ 3,412.77

Deepak also took out an RRSP loan of \$22,000 to make his RRSP contribution this year. In his package, we see a slip from TD Waterhouse for RRSP contributions made of \$22,000 in the remainder of the year 2022. He paid a total of \$ 1,850 in interest on the RRSP loan. He made a \$22,000 contribution on April 15 of 2022. His notice of assessment shows an RRSP contribution limit for 2022 of \$38,885. He also borrowed money from his RRSP about 10 years ago and has a required repayment of \$1,275.

Deepak's mother and father now live with him. They are both in ill health as his mother was recently diagnosed with a kidney disorder that requires Deepak to take her to dialysis and his father live is having mobility issues due to his arthritis. They both have limited income in Canada which consists of only pension incomes

Grace Singh:

SIN 787 654 750

Grace's income: \$ 18,685

Date of birth May 30, 1948

Suresh Singh

SIN 787 685 235

Suresh's income \$ 21,550

Date of birth September 10, 1945

Grace has a Disability Tax Credit Certificate on file with the CRA and is eligible for the credit. Suresh is in the process of getting his doctor to fill out the T2201 Certificate and is confident he will also be eligible for the DTC. In the meantime, Suresh received a letter from his doctor specifying that he is physically infirm and requires help for his day-to-day functions. Deepak provided us with envelopes containing all the medical expenses for himself and both his parents as follows:

Medical Expenses for Deepak

Dentist – Dr. A. Kalchos:	\$ 1,014..20
Eye Surgery (Bochner Eye Institute):	\$ 4,685.12
Medication (Shoppers Drug Mart):	\$ 485.20

Medical Expenses for Suresh

Dentist:	\$ 685.32
Eye Glasses (Costco):	\$ 435.80
Medication:	\$ 1,158.11
Foot care:	\$ 879.20
Physiotherapy:	\$ 1,633.77

Medical Expenses for Grace

Dentist– Dr. A. Kalchos:	\$ 685.32
Medications(Shoppers Drug Mart):	\$ 454.55

Deepak made the following instalment payments throughout the year according to the Instalment notices sent to him quarterly by CRA:

March 15:	\$ 26,850
June 15:	\$ 26,850
Sept 15:	\$ 22,500
Dec 15	\$ 22,500

Deepak has asked us to prepare his tax return from the information he has provided us. We do not need to prepare Grace & Suresh’s tax returns as Grace prepares and files their returns. We have verified the income numbers provided by reviewing their tax returns.