

# Annual Survey of Manufactures and Logging, 2011

## Reporting Guide

FOR INFORMATION ONLY

This guide is designed to provide additional information as you work through your questionnaire. If further assistance is required, please call us. A Statistics Canada employee will be happy to assist you.

Help Line: 1-800-972-9692

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## General information

### What is the Annual Survey of Manufactures and Logging and why is it important?

The Annual Survey of Manufactures and Logging is conducted every year by Statistics Canada to obtain important information on the manufacturing sector (including logging operations) of the Canadian economy. Manufacturing establishments in Canada are required to provide information on such aspects of their operations as sales, costs/expenses, salaries and wages. Results from the Annual Survey of Manufactures and Logging help Statistics Canada in compiling key data on the Canadian economy, such as the Gross Domestic Product (GDP). The total value of sales is used along with inventories to calculate production statistics. Total sales of individual products, and external trade data, are used to estimate the size of the Canadian market for particular goods.

The data are also published and are used by the business community, trade associations, municipal, provincial/territorial, and federal governments, international organizations and private citizens.

Businesses and governments depend on official statistics to make vital economic decisions. For example:

- the Bank of Canada relies on the GDP to make decisions that influence interest and exchange rates, which in turn affect the costs of doing business;
- businesses and associations use the survey results to:
  - track their performance against industry averages;
  - evaluate expansion plans;
  - prepare business plans for investors;
  - adjust inflation-indexed contracts;
  - plan marketing strategies.

### Why was I chosen to receive the Annual Survey of Manufactures and Logging?

For most surveys, businesses are selected through random sampling to represent other businesses of the same type in their regions, with similar revenue or number of employees. Some businesses must be included every year as they contribute substantially to their particular industry or region. Smaller businesses must also be sampled if an industry only includes a limited number of businesses in a province or territory, to provide an accurate picture of an industry.

Whenever possible, Statistics Canada does use administrative data already filed with government, such as income tax returns or customs records. However, these sources do not contain all the information required to produce a complete industry profile. This is especially true for large businesses operating in a number of different industries, and in more than one province/territory. Tax records usually provide data for the legal entity but not

for the different business units (establishments) that operate in different industries and/or provinces/territories. We need data from these specific business units to produce statistics by industry and by province/territory. **Note: Although Statistics Canada can obtain records from the Canada Revenue Agency (CRA) to create statistics, CRA cannot access any individual survey records from Statistics Canada.**

To protect the confidentiality of data provided by respondents, only data in aggregate form are available for use.

Your assistance in completing the enclosed survey is vital to the production of timely and accurate manufacturing statistics. If you experience difficulties in completing this survey, please do not hesitate to call us at **1-800-972-9692**.

### Is it a legal requirement to complete this survey?

Yes. The Annual Survey of Manufactures and Logging is collected under the authority of the *Statistics Act*, Revised Statutes of Canada, 1985, Chapter S-19. This act stipulates that the completion of questionnaires issued under the act is mandatory. You can go to our website ([www.statcan.gc.ca](http://www.statcan.gc.ca)) to consult a copy of the *Statistics Act*.

### Is the information provided kept confidential?

Yes. Your answers are confidential. Statistics Canada is prohibited by law from releasing any information from this survey which would identify a person, business, or organization, without their prior consent. The confidentiality provisions of the *Statistics Act* are not affected by either the *Access to Information Act* or any other legislation. The Canada Revenue Agency cannot access identifiable survey data from Statistics Canada. These survey data will only be used for statistical purposes and will be published in an aggregate form only.

### Data-sharing agreements

To reduce respondent burden, Statistics Canada has entered into data-sharing agreements with provincial and territorial statistical agencies and other government organizations, which must keep the data confidential and use them only for statistical purposes. Statistics Canada will only share data from this survey with those organizations that have demonstrated a requirement to use the data.

**Section 11** of the *Statistics Act* provides for the sharing of information with provincial and territorial statistical agencies that meet certain conditions. These agencies must have the legislative authority to collect the same information, on a mandatory basis, and the legislation must provide substantially the same provisions for confidentiality and penalties for disclosure of confidential information as the *Statistics Act*. Because these agencies

have the legal authority to compel businesses to provide the same information, consent is not requested and businesses may not object to the sharing of the data.

For this survey, there are **Section 11** agreements with the provincial and territorial statistical agencies of Newfoundland and Labrador, Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba, Saskatchewan, Alberta, British Columbia, and the Yukon.

The shared data will be limited to information pertaining to business establishments located within the jurisdiction of the respective province or territory.

**Section 12** of the *Statistics Act* provides for the sharing of information with federal, provincial or territorial government organizations. Under **Section 12**, you may refuse to share your information with any of these organizations by writing a letter of objection to the Chief Statistician and returning it with the completed questionnaire. Please specify the organizations with which you do not want to share your data.

For this survey, there are **Section 12** agreements with the statistical agencies of Prince Edward Island, the Northwest Territories and Nunavut.

For agreements with provincial and territorial government organizations, the shared data will be limited to information pertaining to business establishments located within the jurisdiction of the respective province or territory.

For all manufacturing industries — (1) Environment Canada, (2) Natural Resources Canada, (3) the Prince Edward Island Department of the Provincial Treasury (PEI statistical agency) , (4) the Northwest Territories Bureau of Statistics and (5) the Nunavut Bureau of Statistics.

For establishments in non-ferrous metal (and aluminum) smelting and refining, clay building material and refractory manufacturing, cement manufacturing and lime manufacturing — (1) the Newfoundland and Labrador Department of Natural Resources, (2) the New Brunswick Departments of Natural Resources and Energy, (3) the Quebec Ministry of Natural Resources and Wildlife, (4) the Ontario Ministry of Northern Development and Mines, (5) the Manitoba Department of Science, Technology, Energy and Mines and (6) the British Columbia Ministry of Energy, Mines and Petroleum Resources.

For establishments in logging, sawmills, shingle and shake mills, hardwood veneer and plywood mills, softwood veneer and plywood mills, wood preservation, particle board and fibreboard mills, waferboard mills, mechanical pulp mills, chemical pulp mills, paper (except newsprint) mills, newsprint mills and paperboard mills — the Ontario Ministry of Natural Resources.

## Authorized disclosure

**Section 17** of the federal *Statistics Act* allows for the disclosure of a list of individual establishments, firms or businesses showing information including the establishments' names and locations (province, territory and municipality) and North American Classification System (NAICS) codes. The disclosure of these lists may be authorized in order to aid analysts in the interpretation of data from the Annual Survey of Manufactures and Logging.

## Data linkage

To enhance the data from this survey, Statistics Canada may combine it with information from other surveys or from administrative sources.

## Guidelines

### General remarks

This guide provides details to help you complete the survey with more exact responses in the following sections.

#### A - Introduction

#### B - Income statement / production and cost report

#### C - First destination of sales

#### D - Sales of goods manufactured

#### E - Purchases of raw materials and components to be used in manufacturing process

#### F - Labour, salaries and wages (including commissions, if applicable) by location

#### G - Detailed information on energy and water costs/ expenses

The data requested can generally be obtained from:

- the accounting records and financial statements (for profit centres) for your business unit;
- your production and cost reports (for cost centres);
- your employment and payroll records;
- other sources (e.g., your plant or production manager).

## A - Introduction

### Coverage

Please report the data for your establishment (referred to as a business unit) in this questionnaire. Each of the locations included in your business unit should be pre-printed in **Section F**. If you have acquired or disposed of a location, please indicate this change in the space provided.

**Note:** A **business unit** is the smallest operating unit in your business that can report the following items:

- the value of sales;

- the cost of materials and supplies purchased;
- the cost of energy and water utility purchased;
- the opening and closing inventories;
- the number of employees and their salaries and wages.

Generally a business unit corresponds to a plant, mill or factory. However, it may comprise more than one plant or location when your accounting records do not permit separate reporting of the items listed above. A business unit may also include ancillary or support units, such as sales offices or warehouses.

If your business has more than one business unit, a separate questionnaire should be completed for each unit. Each questionnaire should cover all the activities of the relevant business unit.

If your firm has a separate administrative unit or head office located in a municipality other than the one in which the plant is located, then you should also fill out a separate questionnaire for the Head Office Survey. The activities of ancillary or support units which serve more than one of your business units should also be reported on a head office questionnaire (even if there is no separate head office as such).

If you are in doubt about the best way to report, or you are not sure what questionnaires are being completed by other units of your firm, please call 1-800-972-9692 for assistance. Please quote the reference number on the front page of the questionnaire in all communications.

### Reporting instructions

When precise figures are not available please provide your best estimates. Report all monetary values in Canadian funds, rounded to the nearest thousand dollars (e.g., \$55,417.40 should be reported as 55). Percentages should be rounded (e.g., report 37.3% as 37 and 75.8% as 76).

Section J asks for the name of contact as well as the person primarily responsible for completing this questionnaire. Sometimes this is not the same person. Please answer both questions accurately.

### Main business activity

#### Lines 1 through 4

Please describe the main business activity of your business unit. This activity should generate the largest portion of value of your sales during the reporting period. For example, if you principally manufacture vehicle parts, you could write a description of: "vehicle brake component assembler". Please include some indicator of the major products you produce. The information is used to verify that your business unit is coded to the appropriate industry.

**Note:** Commercial printing is considered a manufacturing activity by Statistics Canada. If your business unit's primary business activity is "printing" then an additional question (line 2) asks you to indicate the specific type of printing or related activity.

The activity you select should reflect the largest portion of value of your sales during the reporting period.

If your main business activity is neither manufacturing nor logging, please call 1-800-972-9692 for further instructions.

### Reporting period information

#### Lines 5 through 8

The reporting period for the Annual Survey of Manufactures and Logging is your business unit's **12-month fiscal period ending between April 1, 2011 and March 31, 2012**. Please check the appropriate boxes to indicate any fiscal year or operational changes in the subsequent questions.

On **line 7**, selecting 'temporarily inactive' could be used to indicate labour actions (strikes/lockouts), scheduled retooling, or international trade actions (duties/quotas) that result in a temporary cease of operations with planned resumption in the short term.

### B - Income statement and production and cost report

The information requested under **Section B** relates directly to your income statement (or production and cost report if you are a cost centre).

#### B1 - Sales

Sales should be reported FOB factory gate: net of excise and provincial or territorial sales taxes, HST/GST, trade discounts, returns and allowances, and charges for outward transportation by common or contract carriers. (**Note:** FOB factory gate means truck gate if using own truck and driver). Sales denominated in foreign currency should be converted into Canadian dollars at the exchange rate on the day of transaction.

Goods reported as sold **should not** be included in inventory (lines 25 and 58) and goods held on consignment should be reported as inventory until actually sold.

#### Valuation of sales

Please indicate whether you report at final selling price or any alternate valuation in the check-boxes above line 9.

- If you are a **single business unit firm**, sales must be reported at your final selling price.

- If you are part of a **multi-business unit firm**:
  - a) sales to your firm's **non-manufacturing** business units must be reported at your final selling price.
  - b) sales to your firm's **manufacturing** business units, sales branches, selling warehouses or head offices should be reported at the value shown on your books of account (i.e., book transfer value).

#### Line 9a: Sales of goods manufactured

The information to be reported at line 9a should relate only to goods manufactured from own materials whether at this business unit or at any other sub-contracted manufacturing plants located within Canada on the basis of a charge at line 31 to this business unit. In the case where manufacturers normally install products of their own manufacture as an extension of the processing operations, the value of sales should represent the installed value of the products. If your firm operates one business unit (plant) plus one or more stock or storage warehouses at other locations (**including** rented space in public warehouses), reported sales should include sales out of warehouse plus direct plant sales to customers. **Do not include** current plant sales to own warehouses.

#### Include:

- sales from Canadian locations (domestic and export);
- transfers to other business units or a head office of your firm;
- sales of goods that were shipped earlier on consignment;
- sales shipped to foreign countries for which customs entry forms have been prepared:
  - i) CF7501 for shipments destined to the United States;
  - ii) B-13A, Customs Canada, Export Entry, for destinations other than the United States;
- charges for installation of manufactured goods where installation is part of sale;
- book value of goods sold for rental.

#### Exclude:

- transfers into inventory and consignment sales;
- shipping charges by common or contract carriers;
- discounts and returns;
- federal provincial and territorial sales taxes and excise duties and taxes;
- sales of goods purchased for resale, as is (please report this amount at line 9c);
- sales of logs or wood residue (please report this amount at line 9b).

#### Line 9b: Sales of logs and wood residue (for logging operations only)

Report all sales of logs and wood residue at this line, **regardless of the source of these materials**. Sales of logs and wood residue harvested by your own employees, by contractors, or bought by you on the open market should all be reported here. **Do not include** any logging sales at line 9c.

#### Line 9c: Sales of goods purchased for resale, as is

Report sales of goods that have not been processed or altered in your business unit and that have been purchased and resold in the same condition. Logging operations must not report sales of logs and wood residue here, (regardless of who harvests), but at line 9b.

#### Include:

- sales of products transferred to you from other business units of your firm (not listed as a location in **Section F**) and sold in the same condition as transferred.

#### Line 9d: Progress billing

Business units which manufacture large products (e.g., construction of a ship) that normally require extended periods of time and large sums of money to complete, may recognize only a portion of the long-term contract revenue during the current reporting period. Any reported amount must be broken down into:

- i) percentage of total progress billing revenue derived from Canadian sources only;
- ii) percentage of total progress billing revenue derived from foreign sources (any country other than Canada).

**Note:** If you recognize your long-term contracts based on completion over a number of periods, **do not report** the total value of these long-term contracts as this would, over time, result in double counting of revenue.

#### Line 10: Revenue from repair work

Repair work **comprises** fixing/repairing products that have already been installed or delivered to a client (or other business unit). This work could be done at the client's facilities or at your business unit (where it was uninstalled and shipped to your business unit for repair). Repair work also **includes** warranty repairs where your business unit charges a fee to either an external business or another business unit within your firm. In all of these cases, your business unit has only provided labour to a client but this client owns the product(s) and materials involved.

**Line 11: Revenue from manufacturing or logging service fees and/or custom work**

Custom work, manufacturing or logging service, **comprise** manufacturing or logging work undertaken to the specifications of a client (or other business unit of your firm) prior to installation or initial delivery. Your business unit has only provided labour to a client but this client owns the product(s) and materials involved. Revenue earned from this activity should be reported at line 11 where it is relevant to your activities in the fiscal year reported in this questionnaire.

**Line 12: Revenue from stumpage sales**

Only business units involved in logging operations should report revenue from stumpage sales on this line.

**Line 13: Revenue from other sales**

**Include:**

- sales of goods and services not specified at lines 9 through 12.

**Exclude:**

- revenue from rental and leasing, royalties, franchise and licensing fees, interest and subsidies/grants (these should be reported at lines 15 through 18).

**Line 14: Total sales**

Please report your total sales with the sum of lines 9a, b, c, and lines 10 through 13.

**Exclude:**

- amounts reported separately for progress billing in this calculation, as they will already be included at line 9a.

**B2 - Other revenue**

**Line 15: Revenue from rental and leasing**

Rental and leasing revenue from assets owned by your business unit should be reported here. This revenue should be reported before deduction of expenses such as property taxes and repairs and maintenance but net of the goods and services tax (GST). Rent revenue should not be netted against rental expenses.

**Include:**

- revenue from rental or leasing of manufactured products made by your business unit;
- revenue from rental or leasing of assets, including real property and/or machinery and equipment owned by your business unit (including operating leases).

**Exclude:**

- finance charges from financing and sales leases;
- revenue from intellectual property (e.g., patents, trademarks, copyrights).

If these types of revenue are accruing to another business unit of your firm that are not included in this questionnaire, they should be reported by that business unit (e.g., head office). Please ensure that they are reported only once, i.e., **either** on the questionnaire of your manufacturing business unit **or** by the other business unit.

**Line 16: Revenue from royalties, franchise fees and licensing agreements**

Revenue from royalties, franchise fees, and licensing should not be netted against expenses.

**Line 17: Investment revenue (dividends and interest)**

Dividend revenue should not be netted against dividend expense.

Interest revenue should not be netted against interest expense.

**Line 18: Other revenue**

Operating revenue related to current operations not reported elsewhere.

**May include:**

- lodging and boarding revenue in the logging industry;
- service revenue;
- subsidies and government grants allocated to the current operations of the reporting period;
- revenue from secondary activities (e.g., cafeterias and lunch counters);
- revenue from outside installation or construction work not related to your own products.

**B3 - Cost of goods sold and expenses**

Many manufacturing business units distinguish the costs directly charged to their manufacturing process from their expenses (selling, general and administrative). This section is organized to allow you to easily record your costs/expenses according to your normal accounting practices. **Do not try to split** Cost of Goods Sold from Expenses if you have not separated these in your own accounting records.

Purchases from other business units of your firm must be reported as expenses at the same book transfer value and as revenue at final selling price.

If the method of valuation used by your business unit has changed, please advise us on the questionnaire and identify the method now being used.

**Opening and closing inventories**

Inventories are to be reported at the value maintained in your accounting records (**book value**). If your accounting records do not distinguish between goods of own

manufacture and goods purchased for resale, please provide your best estimate of the distribution between the two inventory types and note on the questionnaire the action taken.

**Include:**

- inventory at the plant and at any warehouse or selling outlet which is treated as part of this business unit;
- inventory in transit in Canada;
- inventory held on consignment in Canada.

**Exclude:**

- goods owned and held in inventory abroad;
- any goods held on consignment from others.

**Line 20 and Line 53: Inventories of raw materials and components**

**Include:**

- materials and components to be used in the manufacturing process;
- fuel purchased to be used as an input into the manufacturing process as a feedstock or processing material (e.g., crude oil processed into gasoline) at line 20;
- non-returnable containers and other shipping and packaging materials.

**Exclude:**

- any raw material intended for resale in the same condition as purchased (this should be included at lines 23 and 56).

**Line 21 and Line 54: Inventories of goods and work in process**

**Include:**

- partially completed goods;
- the value of work done on goods accounted for under progress billing for which no payment has been received.

**Line 22 and Line 55: Inventories of finished goods manufactured**

**Include:**

- goods of own manufacture from your business unit.

**Line 23 and Line 56: Inventories of goods purchased for resale, as is**

**Include:**

- all goods which are purchased for resale without further processing by your business unit.

**Exclude:**

- components manufactured by another business unit/firm that are purchased or transferred by your business unit and used by you as inputs for assembling manufactured systems (this should be included at lines 20 and 53).

**Line 24 and Line 57: Other inventories (please specify)**

**Include:**

- all other inventory of materials used in your manufacturing process but **not included** in the above categories.

**Purchases and costs / expenses**

**Line 26: Purchases of raw materials and components**

Report the laid-down cost (FOB plant gate, but **excluding** GST) for all raw materials and components purchased for your manufacturing process. **Do not** include goods purchased for resale, as is. A breakdown by product will be requested in **Section E** — the amount entered here should equal line 90.

**Line 27: Purchases of non-returnable containers and other shipping and packaging materials**

Report the laid-down cost for all shipping and packaging materials purchased (FOB plant gate, but **excluding** GST), including boxes, cartons, barrels, kegs, bottles, pallets, etc.

**Line 28: Purchases of goods for resale, as is**

Report the laid-down cost of goods purchased for resale in the same condition as purchased (FOB plant gate, but **excluding** GST), i.e., without further manufacturing or processing.

**Line 29: Employment costs and expenses**

**Line 29a: Labour, salaries and wages (including commissions, if applicable)**

Amounts reported for salaries, wages and commissions should be gross, before any deductions at source. Note that the total reported at line 29a should equal the amount reported at line 91.

**Include:**

- overtime payments;
- vacation pay;
- payments to casual labour;
- directors' pay;
- bonuses (including profit sharing);
- commissions paid to regular employees such as your manufacturer's agents;



- taxable allowances (e.g., room and board, gifts such as air tickets for holidays);
- retroactive wage payments;
- stock options awarded to employees (the amount for which you have entered a “code 38” on the employees’ T4 and which is included in box 14 – value according to CRA rules);
- any other allowance forming part of the employee’s earnings;
- payments to individuals working on their own premises using equipment and materials provided by your business unit since such persons should be treated as employees.

**Exclude:**

- deferred stock options awarded to employees that meet relevant CRA rules (the amount for which you have entered a “code 53” on the employee’s T4 and which is excluded from box 14);
- amounts paid out to other business units for employment costs only (this expense should be reported at line 31);
- all costs and expenses associated with outside contract workers;
- monies withdrawn by working owners and partners of unincorporated business units;
- director’s fees or distribution of profits to shareholders of incorporated business units.

**Line 29b: Benefits**

Report expenses related to the employer portion of employee benefits.

**Include:**

- payments for employee life and extended health care insurance plans (e.g., medical, dental, drug and vision care plans);
- employer portion of Canada Pension Plan/Québec Pension Plan (CPP/QPP) contributions;
- employer pension contributions;
- contributions to provincial and territorial health education payroll taxes (applicable to your business unit);
- workers’ compensation (provincial or territorial) applicable to your business unit;
- employer portion of employment insurance premiums (EI);
- retiring allowances or lump sum payments to employees at time of termination or retirement;
- all other employee benefits such as childcare and supplementary unemployment benefit (SUB) plans.

**Exclude:**

- employee portions of employee benefits (i.e., deductions from pay).

**Line 30: Employment agency and personnel supplier services**

Report any cost/expense for temporary workers paid through an agency. Also **include** charges for personnel search services.

**Line 31: Sub-contracts (excluding research and development)**

Many business units provide materials to other business units or individuals for the production of outputs on a so-called “custom basis”.

**Include:**

- any amount you pay to any other business units, firms, or individuals for work done on materials you own.

**Exclude:**

- salaries and wages paid to employees (see line 29a);
- payments to individuals working on their own premises using machinery, equipment and materials provided by your firm (such persons should be treated as employees) (see line 29a);
- research and development sub-contracts (part of line 32);
- cost of materials e.g., logs (see line 26).

**Line 32: Research and development**

Report all costs/expenses related to research and development work, **except labour costs** (part of line 29a).

**Line 33: Amortization and depreciation**

Report the amortization/depreciation (the systematic allocation of the cost of assets to current operations over their useful life) related only to the current reporting period.

**Include:**

- amortization of tangible and intangible assets;
- amortization of rental equipment;
  - a)** for operating leases (by lessor);
  - b)** for capital leases (by lessee).
- amortization of current and deferred costs attributable to the current period;
- amortization of deferred gains and losses on investments.

**Exclude:**

- one-time write-offs or write-downs.

**Line 34: Energy and water utility**

Report the cost/expense of purchased energy and water (utility) attributed to operations in the current reporting period.

Vehicle fuel expenses **should not be included** in this amount (see line 35).

The total of the amounts allocated to Cost of goods sold and to Expenses should equal the amount entered at line 102.

**Do not** report raw materials here, i.e. any fuel purchased as an input to the manufacturing process as a feed stock or processing material (e.g., crude oil to be refined into gasoline), or for any other non-energy purpose, should be reported at line 26.

#### **Line 35: Vehicle fuel expenses**

This item **includes** expenses for vehicle fuels purchased by your business unit (e.g., gasoline, diesel fuel, propane and natural gas).

##### **Exclude:**

- fuel purchased for power/heat generation (see line 34).

#### **Line 36: Transportation, shipping (contracted out), warehousing, storage, postage and courier**

Report transportation and storage costs/expenses if they can be reported separately from purchases.

##### **Include:**

- freight transport services by air, sea, or land (including rental with operator);
- pipeline transport services;
- postage and courier expenses (including local messenger and delivery);
- storage or warehousing services;
- moving services.

##### **Exclude:**

- shipping using own vehicles.

#### **Line 37: Rental and leasing (including motor vehicles)**

##### **Include:**

- rental of real property (land, buildings, office space);
- rental of motor vehicles (without driver);
- rental of computers, machinery and equipment (without operator).

##### **Exclude:**

- rental and leasing of vehicles (with driver), machinery and equipment (with driver or operator). Report these costs with the associated function.

#### **Line 38: Repair and maintenance (including motor vehicles)**

This item comprises repair and maintenance costs related to the replacement of parts or other restoration of plant and machinery to keep your properties in efficient working condition.

##### **Include:**

- waste removal services, hazardous and non-hazardous;
- purchased materials, parts and labour, janitorial and cleaning services;
- sweeping and snow removal services;
- purchased repair and maintenance service expenses for:
  - a) buildings and structures;
  - b) motor vehicles;
  - c) other machinery and equipment;
  - d) other goods (except fabricated metal products or furniture repair services).

##### **Exclude:**

- property management fees (line 45);
- repair and maintenance expenses that are included in any payment to a head office (line 46).

#### **Line 39: Insurance (including motor vehicles)**

##### **Include:**

- life insurance and individual pension services;
- accident and health insurance services;
- asset insurance services, including property and motor vehicle;
- general liability insurance services;
- all other insurance services not elsewhere specified.

##### **Exclude:**

- payments on behalf of employees which are considered to be taxable benefits (included at line 29b);
- premiums paid directly to your head office (included in line 46).

#### **Line 40: Property and business taxes, licences and other permits**

This item comprises the cost of various licences and permits, and some indirect taxes (taxes levied on your business unit that are not corporate income or logging taxes, sales or excise taxes, or insurance premium taxes).

##### **Include:**

- property taxes – except those which are covered in your rental and leasing expenses;
- property/land transfer tax;

- business taxes;
- business and other fees (**does not include** business service fees);
- vehicle licence fees;
- beverage licence fees;
- all other license fees;
- capital taxes;
- lot levies;
- building permits and development charges;
- other property/business licences or permits not specified above.

**Exclude:**

- stumpage fees (for logging operations only) (line 42).

**Line 41: Royalties and franchise fees**

**Include:**

- franchise fees;
- fees incurred for the purchase of intellectual property (e.g., patents, trademarks, copyrights).

**Exclude:**

- stumpage fees (for logging operations only) (line 42).

**Line 42: Stumpage fees (for logging operations only)**

Business units undertaking logging operations on Crown land must pay “stumpage fees” for harvested logs. If logging activity is applicable to your business unit, please report the total of all stumpage fees paid during this reporting period.

**Line 43: Advertising and marketing**

**Include:**

- planning, creating and placement services of advertising;
- purchase or sale of advertising space or time, on commission;
- other advertising services;
- trade fair and exhibition organization services.

**Line 44: Travel, meals and entertainment**

**Travel**

**Include:**

- passenger transportation, accommodation, meals while travelling and other travel allowances;
- hotel and motel lodging services;
- railway, road, water or air transport services of passengers;
- rental services of passenger cars, buses and coaches with operator;

- taxi services;
- travel agency services.

**Meal and entertainment expenses**

**Include:**

- purchases for clients;
- meal serving services;
- beverage serving services for consumption on the premises;
- motion picture and video tape projection services.

**Line 45: Professional and business service fees**

Please report only the total cost of purchased professional or business service fees here. **Exclude** the costs of in-house activities undertaken by our own staff.

**Include:**

- property management fees;
- legal fees;
- information technology (IT) consulting and service fees (purchased);
- accounting and auditing fees;
- architectural fees;
- engineering fees;
- scientific and technical service fees;
- other consulting fees (management, technical and scientific);
- veterinary fees;
- fees for human health services;
- education and training fees;
- data processing fees;
- payroll preparation fees;
- all other professional and business service fees.

**Exclude:**

- service fees paid to head office and other business support units **not** included in this questionnaire (see line 46).

**Line 46: Management fees and other service fees paid to head office and other business support units**

**Include:**

- any management or service fees paid to head office.

**Line 47: Telephone and other telecommunication services**

**Include:**

- telephone, fax, cellular phone, or pager services for transmission of voice, data or image;

- Internet access charges;
- purchased cable and satellite transmission of television, radio and music programs;
- wired telecommunication services;
- wireless telecommunication services;
- satellite telecommunication services;
- online access services;
- online information provision services.

**Line 48: Office supplies**

Please report all office supplies purchased and used by your business unit for both manufacturing and non-manufacturing operations.

**Line 49: Other service costs/expenses, not specified above**

**Include:**

- financial service fee expenses;
- all other service expenses not elsewhere specified.

**Line 50: Interest costs/expenses**

Interest expenses should be reported as net of interest capitalized. Interest expenses **should not** be netted against interest revenue.

**Include:**

- interest expenses related to all borrowing, including finance charges;
- interest payments on capital leases;
- any amortization of bond discounts.

**Exclude:**

- dividends paid to term and retractable preferred shares;
- debt issue expenses, including their amortization.

**Line 51: All other costs and expenses (e.g., variance, bad debts, donations)**

Report manufacturing costs and outflows of cash, payables, or other considerations that should be charged to either Cost of goods sold or Expenses and have not been specified in any other item above.

**Include:**

- safety supplies;
- cafeteria supplies;
- materials, components and supplies for installation and construction that is not related to own-product;
- all other supplies, materials and components not elsewhere specified;
- variance;

- bad debt;
- charitable donations;
- any item chargeable to Cost of goods sold or Expenses not elsewhere specified.

**Exclude:**

- items related to expenditures in prior periods;
- service expenses (line 49).

**Line 52: Total purchases and/or costs**

This should equal the sum of items reported in lines 26 through 51 in the Cost of goods sold column only (left column).

**Line 60: Total expenses**

This should equal the sum of items reported in lines 29 through 51 in the Expenses column only (right column).

**B4 - Net profit / loss after tax and other items**

Please use parentheses to indicate amounts representing a loss or a debit.

**Line 61: Corporate income tax**

**Include:**

- federal corporate income taxes;
- provincial/territorial corporate income taxes.

**Line 62: Realized gains or losses on sales of assets and on foreign currency exchange**

Gains and losses are increases and decreases to value from peripheral or incidental transactions and events affecting your business unit. Gains and/or losses realized/incurred from the disposition of assets are **included** in this category. These assets are of a capital nature such as investments, fixed assets (**including** resource property), foreign currency and intangible assets. The gains/losses represent the difference between the book value of the asset and the proceeds of disposition.

**Exclude:**

- incidental costs (e.g., legal fees, commissions);
- unrealized gains/losses;
- income taxes applicable.

**Line 63: Unrealized losses on asset revaluations, extraordinary and exceptional items**

- a) **Unrealized gains or losses** resulting from the adjustment of book values on the revaluation of assets that are not treated as extraordinary items are included in this item. Any gains or losses should be reported before the deduction of income taxes applicable.

**b) Extraordinary and exceptional items** comprise gains, losses and provision for losses which are not typical of the normal business activities of your business unit. In a business, the events giving rise to extraordinary gains/losses are not expected to occur regularly over a period of years and are not considered as recurring factors in ordinary business operations.

**Include:**

- events and circumstances that do not depend primarily on decisions or determinations by management or owners;
- intervention by government or other regulatory bodies such as expropriations of property;
- natural disasters, such as floods or earthquakes;
- losses resulting from fires or other catastrophes;
- write-offs or write-downs of all assets other than inventory and accounts receivable;
- write-offs of dry holes, abandoned and unproductive properties related to mining, petroleum and natural gas operations.

**Exclude:**

- tax benefit of a loss carried forward;
- gains/losses from discontinued operations;
- results of current operations should be reflected in appropriate revenue and expense items;
- recognition of future gains or losses;
- realized gains/losses.
- unusual and exceptional items that do not meet the criteria set out in the definition of extraordinary gains/losses;
- gains and losses on the disposal of investments, fixed assets and loans;
- provisions for future liabilities for estimated costs that will be paid in the future;
- realized gains/losses on sale of assets;
- current period provision for losses with respect to bad debts and inventory;
- amortization of deferred gains/losses on investments;
- amortization of deferred charges and deferred debits.

**Line 64: Other items**

Gains and/or losses not specifically reported elsewhere should be reported here.

**Include**, for example:

- gains or losses from oil and gas partnerships;
- mining partnership joint venture income/losses;
- subsidiary affiliate share income/losses;
- joint venture income/losses;

- partnership income/losses;
- farming partnership or joint venture income/losses.

**Line 65: Net profit/loss after tax and other items**

**Net profit/loss** equals

**Line 14** (total sales)

Plus: **line 19** (total other revenue)

Less: **line 59** (total cost of goods sold)

Less: **line 60** (total expenses)

For the next 4 items, losses and debits have parenthesis, therefore are negative.

Plus: **line 61** (corporate income tax)

Plus: **line 62** (realized gains or losses)

Plus: **line 63** (unrealized losses)

Plus: **line 64** (other items)

This amount should equal Net profit or loss from your Income Statement.

**C - First destination of sales**

This section represents a breakdown of your total sales (reported in line 14), by first destination of sales. For physical sales to head offices, sales offices, wholesalers or other distributors, please report the first destination, i.e., the location at which the distributor received these goods. For overseas sales or transcontinental sales, please **do not** consider United States transit depots as destinations. If your total sales **include** the value of goods that were not physically shipped (e.g., book transfers), please treat these as within province/territory sales.

**D - Sales of goods manufactured**

This section represents a breakdown, by product, of the sum of total sales reported at lines 9a and 9b. Please report sales of goods for each product produced by your manufacturing operations. **Exclude** shipping charges by contract or common carrier if possible for each product class. Indicate the total value of sales (in thousands of Canadian dollars) for the products pre-printed in this section. Where quantity information is requested, please provide this information from your records or, if not recorded, provide your best estimate. If your accounting records **do not** allow you to provide sales of your reported commodities net of shipping charges, please report the total shipping charges paid to common or contract carriers at line 87.

**Line 85: All other products of own manufacture sold**

If you manufacture and sell products that are not included in the pre-printed list, please enter the product name and relevant values on the blank lines provided.

#### Line 86: Total sales of goods manufactured

This total should equal the sum of individual product sales included in this section, and should agree with the sum of lines 9a and 9b unless shipping charges, discounts, sales allowances, returned sales or excise taxes are included. If these charges are included, report them at line 87.

#### Line 87: Shipping charges by common or contract carriers, discounts, sales allowances and returned sales

Please report the total shipping charges paid to common or contract carriers, discounts, sales allowances and returned sales on this line if your accounting records **did not** allow you to exclude them from the sales of goods as reported above.

#### Line 88: Total sales of goods manufactured

This amount should equal the sum of the sales reported at lines 9a and 9b on page 3.

### E - Purchases of raw materials and components to be used in manufacturing process

This section requests a breakdown, by product, of the total reported at line 26. Please report the cost of raw materials for each individual product used in manufacturing operations.

If you purchased raw materials that are not preprinted in this section, please enter the raw material name and relevant amounts at line 89.

Where quantity information is requested, please provide this information from your records or, if not recorded, provide your best estimate. In reporting the cost of the various items purchased, give the laid-down value at your business unit, (i.e., the amounts after discounts actually paid or payable).

If you are part of a multi-business unit firm and receive semi-processed goods as transfers from the other business units of your firm for further processing, please report these semi-processed goods here. The cost of such goods should be equivalent to the transfer value reported by the shipping unit plus any transportation and handling charges paid by your business unit to common or contract carriers.

Any fuel purchased as an input into the manufacturing process, as a feedstock or processing material (e.g., crude oil processed into gasoline), or for any other non-energy purpose, should be reported in this section. **Do not include fuel used for energy purposes** (e.g., for office or plant heating) - these energy items should be reported in **Section G**.

#### Line 89: All other raw materials and components purchased

If you purchased raw materials and components that are not included in the pre-printed list, please enter the description and relevant values on the blank lines provided.

### F - Labour, salaries and wages (including commissions, if applicable) by location

#### General guidelines

This section requests a breakdown of total salaries, wages and commissions (as reported at line 29a) for all locations included in this survey. Amounts reported for salaries and wages should be gross, before any deductions from employees for income tax and employee contributions to health, accident, pension, insurance, or other benefits, all of which should be included. Please do this calculation separately for direct and indirect labour at each location. **Do not include** benefit contributions by the employer.

This section also asks for the average number of employees for each location included in the survey. To calculate the average number employed, add the number of employees in the last pay period of each month of the reporting period and divide this sum by the number of months (usually 12). Please do this calculation separately for direct and indirect labour at each location.

Please report separately for each location (covered by your business unit). Please indicate if any locations were deleted. If you have added any locations, or if any locations were not preprinted, please provide the information on these. The section is designed to account for all personnel on the payroll of your business unit, **including** those working in ancillary units which form part of your business unit.

#### Employment at this location

##### Direct labour (manufacturing or logging)

Please report gross salaries and average number of workers.

**Include** employees engaged in:

- manufacturing (processing and/or assembling);
- logging and forestry support;
- packing, handling, warehousing;
- repair and maintenance, janitorial;
- watchmen;
- foremen doing work similar to their employees;
- erection/installation by own business unit when an extension of your manufacturing operations.

### Non-manufacturing/indirect (administrative and selling/operating)

Please report gross salaries and average number of workers. **Do not include** workers that are not on your payroll.

#### Include:

- executives, administrators and office staff;
- sales staff;
- food service staff;
- building construction and major renovation staff (when work is chargeable to fixed asset accounts);
- machinery and equipment repair staff (when work is chargeable to fixed asset accounts).

### G - Detailed information on energy and water costs or expenses

This section represents a detailed breakdown of line 34 (energy and water utility). **Do not include any fuels used in motor vehicles (line 35)**. Please report information on all purchased energy, water utility expenses and electricity purchased by your business unit **for energy purposes only**, both in your manufacturing and non-manufacturing operations. Any fuel purchased to be used as an input into the manufacturing process as a feedstock or processing material or for any other non-energy purposes (e.g., a raw material for products such as chemicals, synthetic rubber and a variety of plastics) **should not** be reported here but rather in **Section E**. Answers to the detailed questions should cover amounts used by your business unit in all plant and office operations and any support units which are part of your business unit. Please **include** transportation, duties, etc. which form part of the laid-down cost at your business unit. **Do not report fuel consumed as fuel purchased** unless the amounts are substantially the same (or unless you can only report consumption).

#### Line 92: Electricity

Please report the delivered cost of purchased electricity.

#### Line 93: Gasoline

The cost of purchased gasoline **includes** that used for all plant operations. Please report fuel for motor vehicle use only at line 35.

#### Line 94: Light fuel oil

Please report the total value of purchased light fuel oil for this reporting period. Light fuel oil includes all distillate type fuels for power burners, fuel oil no. 2 (heating oil no. 2), fuel oil no. 3 (heating oil no. 3), furnace fuel oil, gas oils and light industrial fuel.

#### Line 95: Heavy fuel oil

Please report the total value of purchased heavy fuel oil for this reporting period. Heavy fuel oil comprises all grades of residual type fuels for steam or diesel engines (non-vehicle use). It includes Bunker B and Bunker C, fuel oils no. 4, 5 and 6, and residual fuel oil.

#### Line 96: Diesel fuel

Please report the total value of purchased diesel fuel for the current reporting period (**excluding** fuel intended for motor vehicle use). Please report fuel for motor vehicle use only at line 35.

#### Line 97: Liquefied petroleum gas (e.g., propane, butane)

Please report the total value of purchased liquefied petroleum gases (LPG) for this reporting period. LPG's comprise normally gaseous paraffinic compounds extracted from refinery gases. Please report fuel for motor vehicle use only at line 35.

#### Line 98: Natural gas

Please report the total value of purchased natural gas, which comprises a mix of hydrocarbon compounds and small quantities of various non-hydrocarbons existing in a gaseous phase. Please report fuel for motor vehicle use only at line 35.

#### Line 99: Coal

Please report the total value of purchased coal for this reporting period.

#### Line 100: All other energy types (e.g., steam, oxygen, hydrogen) (please specify major items)

Please report the total value of all other purchased energy types not specified elsewhere.

#### Line 101: Water utilities

Please report the total value of water utility costs. Note that in some municipalities, water utilities are **included** in the municipal tax bill. If this case applies to you, please enter the amount if it is itemized on your tax bill.

#### Line 102: Total energy and water costs or expenses

The sum of all purchased energy and water costs at lines 92 to 101 above.

#### Line 103: If total at line 102 is zero

If you are not able to report any individual items at lines 92 to 101 or a total at line 102, please indicate if the reason is because energy, electricity and water costs are included in your rent.

#### Lines 104 and 105: Did this business unit generate any energy used as a replacement for purchased energy? (yes-no)

Please select **yes** if your business unit generated any energy (e.g., heat, electricity, steam) that you would otherwise have purchased externally.

If you selected **yes**, then please indicate which forms of energy you generated (check all that apply).

### Unit of quantity conversion table

Imperial	Abbreviation	Metric	
Barrel (35 gal. petroleum)	barrel	0.15899	m <sup>3</sup>
Board feet (logs), Thousand	M.ft.b.m	4.53	m <sup>3</sup>
Board feet (Lumber), Thousand	M.Bd.Ft.	2.35974	m <sup>3</sup>
British Thermal Unit	BTU	1.05506	kJ
Carat	ct.	0.2	g
Cord	cd.	2.40693	m <sup>3</sup>
Cubic foot	cu.ft.	0.02832	m <sup>3</sup>
Cubic yard	cu.yd.	0.76455	m <sup>3</sup>
Cunit (wood chips)	cunit	2.83168	m <sup>3</sup>
Foot	ft.	0.3048	m
Gallon	gal.	4.54609	l
Gallon (U.S.)	gal. (US)	3.78541	l
Hunderweight	cwt.	45.35924	kg
Ounce	oz.	28.34952	g
Pound	lb.	0.45359	kg
Roof Square	rf. sq.	9.2903	m <sup>2</sup>
Square foot	sq. ft.	0.0929	m <sup>2</sup>
Square yard	sq. yd.	0.83613	m <sup>2</sup>
Ton	ton	0.90718	tonne
Ton	ton	907.18474	kg
Yard	yd.	0.9144	M

Metric	Abbreviation	Imperial	
Cubic metre	m <sup>3</sup>	1.30795	cu.yd.
Cubic metre	m <sup>3</sup>	0.41547	cd.
Cubic metre	m <sup>3</sup>	0.35315	cunit
Cubic metre	m <sup>3</sup>	0.22075	M.ft.b.m.
Cubic metre	m <sup>3</sup>	0.42378	M.Bd.Ft.
Gigajoule	gj	947817.1199	BTU
Gram	g	0.03527	oz.
Gram	g	5	ct
Joule	j	0.00095	BTU
Kilogram	kg	2.20462	lb.
Litre	l	0.21997	gal.
Metre	m	1.09361	yd.
Metre	m	3.28084	ft.
Metric tonne	tonne (short)	1.10231	ton
Metric tonne	tonne	2204.62262	lb.
Square metre	m <sup>2</sup>	1.19599	sq.yd.
Square metre	m <sup>2</sup>	0.10764	rf.sq



## How can I obtain data from Statistics Canada?

### Inquiry service

Ask about our most recent data by:

- telephone: 1-800-263-1136
- telecommunications device for the hearing impaired: 1-800-363-7629
- fax: 1-877-287-4369
- e-mail: [infostats@statcan.gc.ca](mailto:infostats@statcan.gc.ca)
- website: [www.statcan.gc.ca](http://www.statcan.gc.ca)

### Data from the Annual Survey of Manufactures and Logging

Marketing and Dissemination

Telephone: 613-951-9497

Toll Free: 1-866-873-8789

E-mail address: [manufact@statcan.gc.ca](mailto:manufact@statcan.gc.ca)

**PLEASE REMEMBER TO SIGN YOUR NAME AT THE END OF THE QUESTIONNAIRE**

### For further information and assistance

Remember, if you are experiencing difficulty in completing the survey or if you are not sure about how to respond to a specific question, please call us at **1-800-972-9692** and someone will be happy to assist you.

Please keep a copy of this questionnaire accessible in case you receive an enquiry from our staff. It could also serve as a guide to completing next year's survey, if necessary.

**Thank you for your cooperation.**  
**Remember, all data provided are kept confidential.**  
**Please retain a copy for your records.**

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