



Unified Enterprise Survey

Annual Survey of Manufactures and Logging, 2004

Si vous préférez recevoir ce document en français, veuillez nous téléphoner au numéro sans frais suivant : 1 888 881-3666

Reporting Guide

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: 1 888 881-3666



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, whereas the aggregate of sales for individual products, along with external trade data, is used to estimate the apparent Canadian market for particular commodities.

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 were you 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. Also, we cannot overlook the importance of smaller businesses. Smaller businesses must also be sampled if an industry only includes a small 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 make a complete profile of your industry and of the commodities that you

produce. This is especially true for large businesses operating in diverse industries, and operating 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 broken down by industry and by province/territory. **Note: Although Statistics Canada can obtain records from the Canada Customs and Revenue Agency (CCRA) to create statistics, CCRA 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 Annual Survey of Manufactures and Logging is vital to the collection and production of timely and accurate manufacturing statistics. If you experience difficulties in completing this survey, please do not hesitate to call us at **1 888 881-3666**.

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 S19*. This Act stipulates that the completion of questionnaires issued under the Act is mandatory. You can consult a copy of the *Statistics Act* on our Web site (www.statcan.ca) by following the links "About Statistics Canada", then "Protecting confidentiality and privacy".

Is the information provided kept confidential?

Yes. Under the provisions of the *Statistics Act*, Statistics Canada is prohibited by law from publishing or releasing outside Statistics Canada, in any manner, any statistics which would divulge information obtained from this survey relating to any identifiable business without the previous written consent of that business (there are some exceptions under the data-sharing agreements described in the next paragraph). The data reported on this questionnaire will be treated in strict confidence, used for statistical purposes only, and published in aggregate form only. **The confidentiality provisions of the *Statistics Act* are not affected by either the *Access to Information Act* or any other legislation.**

Data-sharing Agreements

To avoid duplication of information collection and to ensure more uniform statistics, Statistics Canada has entered into agreements with various government departments and agencies for the sharing of data from this survey **for statistical**

purposes only. Please note that Statistics Canada does not share any individual responses with the Canada Customs and Revenue Agency (CCRA).

Section 11 of the federal *Statistics Act* provides for the joint collection and sharing of information with provincial statistical agencies which 1) have been established under provincial legislation providing substantially the same provisions for confidentiality and penalties for disclosure of confidential information as the federal *Statistics Act* and 2) have the provincial or territorial legislative authority to collect this information on their own. **Section 11** agreements are in effect with the provincial statistical agencies of Newfoundland, New Brunswick, Nova Scotia, Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia in respect of establishments located within the boundaries of their respective province.

Agreements have also been made under **Section 12** of the *Statistics Act*, to provide for the joint collection and sharing of information with a federal, provincial or territorial government department. Under **Section 12**, you may refuse to share your information with any of these departments by writing to the Chief Statistician and returning your letter of objection along with the completed questionnaire. Please specify those agencies or departments from which data shall be withheld.

Section 12 agreements, which require that the information be kept confidential and used only for statistical and research purposes, are in effect with the following departments for establishments operating within their respective jurisdictions: For all manufacturing industries, with (1) Natural Resources Canada, (2) the Prince Edward Island Department of Finance and Tourism, (3) the

Northwest Territories Bureau of Statistics and (4) the Nunavut Bureau of Statistics. For establishments in Non-Ferrous Metal (including Aluminum) Smelting and Refining, Clay Building Material and Refractory Manufacturing, Cement Manufacturing and Lime Manufacturing, with (1) the Newfoundland and Labrador Department of Natural Resources, (2) the New Brunswick Department of Natural Resources and Energy, (3) the Quebec Ministry of Natural Resources, (4) the Ontario Ministry of Northern Development and Mines, (5) the Manitoba Department of Energy and Mines and (6) the British Columbia Ministry of Energy, Mines and Petroleum Resources; the agreements with these agencies also allow them to use the information in accordance with the provisions of their governing legislation. For establishments in Logging, Sawmills (including 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, with the Ontario Ministry of Natural Resources.

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 addresses, products produced and specific ranges of numbers of employees engaged by them. 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.

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Guidelines

General Remarks

This guide is designed to assist you in completing the Annual Survey of Manufactures and Logging. It provides further clarification of each question **by section** and **by line** to enable complete and accurate responses. These nine sections comprise:

- 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
- H** Events that may have significantly affected your Business Unit
- I** Comments

The data requested can generally be obtained from:

- the business units accounting records and financial statements (for profit centres);
- production and cost reports (for cost centres);
- 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 note it in the space provided.

Note: The **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 the 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 reports 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. Each questionnaire should cover all the activities of the relevant business unit.

Your business may have one or more business units defined in this way. If the business has a separate administrative unit or head office located in

a municipality other than the one in which the plant is located, then the firm should also fill out a separate questionnaire for the *Survey of Head Office and Other Business Support Units* (a Head Office report). The activities of ancillary or support units which serve more than one business unit 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 telephone for assistance at **1 888 881-3666**. 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).

The first page asks for the *Name of contact* as well as the *Person primarily responsible for completing this questionnaire*. Sometimes these are not the same people. Please fill both accurately.

Lines 1 through 4: Reporting Period Information

The reporting period for the Annual Survey of Manufactures and Logging is your business unit's **12-month fiscal period ending between April 1, 2004 and March 31, 2005**. Please check the appropriate box to indicate any fiscal year or operational changes in the subsequent questions.

On **line 3**, 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.

Lines 5 through 8: Main Business Activity

Please describe the main business activity of your business unit, generating the largest portion of value of 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 applicable industry. Sawmill operators should report *Manufacturing* rather than *Logging* as their main business activity.

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 6) asks to indicate the specific type of printing or related activity. This, again, should be based on the largest portion of value of sales during the reporting period.

If your main business activity is neither *Manufacturing* nor *Logging*, please call **1-888-881-3666** for further instructions.

B - Income Statement / 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 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 establishment firm**, sales must be reported at your final selling price.
- If you are part of a **multi-establishment firm**:
 - a) sales to your firms' *non-manufacturing* business units must be reported at your final selling price.
 - b) sales to your firms' *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

The information to be reported at line 9a should relate only to goods manufactured from own materials at this business unit (and any other subcontracted 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 consist of 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 and provincial sales taxes and excise duties and taxes;
- sales of goods purchased for resale;
- sales of logs or wood residue.

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 exclude all sales of logs and wood residue from this line regardless of who harvested them, and report them at line 9b.*

Include:

- sales of goods purchased in bulk, which remain unchanged when re-sold except for cutting and packaging;
- 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 (long-term contracts)

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

Line 9di: percentage of total progress billing revenue derived from Canadian sources only.

Line 9dii: 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 involves situations where your business unit has only provided labour to a client (or other business unit that is part of your firm) but this client owns the product(s) and materials involved. Repair work **comprises** fixing/repairing products for which the client has already installed or taken delivery. This work could be done at the clients' 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.

Line 11: Revenue from manufacturing service fee and/or custom work

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

Line 12: Revenue from stumpage sales

Business units involved in logging operations only should report revenue from stumpage sales at 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 licence 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, 9b, 9c, 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/leasing

Rental and leasing revenue of assets owned by your business unit should be reported here. It should be shown 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 business unit;
- revenue from rental or leasing of assets, **including** real property and/or machinery and equipment owned by business unit (including operating leases).

Exclude:

- finance charges from financing and sales leases;
- revenue from intellectual property.

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 it is 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 licencing agreements

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

Line 17: Investment revenue (dividends and interest)

Interest revenue should not be netted against interest expense.

Line 18: Other revenue

Operating revenue related to current operations not reported elsewhere.

May include:

- 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 / Expenses

Many manufacturing business units distinguish their 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 accounted for the split in your own books. Purchases received 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;
- goods owned and held in inventory abroad.

Exclude:

- any goods held on consignment from others.

Line 20 and Line 53: 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 (should be included at lines 23 and 56).

Line 21 and Line 54: Goods/works 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: Finished goods manufactured

Include:

- goods of own manufacture from this business unit.

Line 23 and Line 56: Goods purchased for resale, as is

Include:

- all goods which are purchased for resale without further processing by the 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.

Line 24 and Line 57: Other inventories

Include:

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

Line 26: Purchases of raw materials and components

Report the laid-down cost at the business unit (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 agree with 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). This category includes the value of goods purchased in bulk that remain unchanged when re-sold except for cutting and packaging.

Line 29: Employment costs/expenses

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

Figures reported for salaries, wages and commissions should be gross, before any deductions at source. Note that the total reported at line 29a should agree with 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 included in box 14 - value according to CCRA rules);
- any other allowance forming part of the employees' earnings;
- payments to individuals working on their own premises using equipment and materials provided by this business unit since such persons should be treated as employees.

Exclude:

- deferred stock options awarded to employees that meet relevant CCRA rules (the amount for which you have entered a “code 53” on the employees’ T4 and excluded from box 14);
- amounts paid out to other business units for employment costs only, this 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 unit’s;
- directors’ fees or distribution of profits to shareholders of incorporated business unit’s.

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 health and education payroll taxes (applicable to this business unit);
- workers’ compensation (provincial plan applicable to this business unit);
- employer portion of employment insurance premiums (E.I.);
- 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. It also **includes** 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, companies, or individuals for work done on materials you own.

Exclude:

- salaries and wages paid to employees
- payments to individuals working on their own premises using machinery, equipment and materials provided by your firm (such persons should be treated as employees)

- research and development sub-contracts (part of line 32)
- cost of materials (e.g., logs)

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 (utilities) attributed to operations in the current reporting period. Vehicle fuel expenses **should not** be included in this amount (see line 35). Note that 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** - 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 purchased vehicle fuels 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 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);
- vehicles licence fees;
- beverage licence fees;
- other licences for which no goods or services are received from municipal, provincial, territorial and federal governments;
- 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)

Businesses undertaking logging operations on Crown Land must pay "stumpage fees" for harvested logs. If logging activity is applicable to your business unit, please report 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 services fees

Please report under this item the total cost of *purchased* professional or business service fees and **exclude** the costs of those activities performed in-house by 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 or other business support units **not** included in this questionnaire (see line 46).

Line 46: Management 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

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;
- on-line access services;
- on-line information provision services.

Line 48: Office and other supplies

Please report all office supplies and all other supplies purchased and used that have not been specified elsewhere.

Include:

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

Exclude:

- purchases charged to fixed asset accounts.

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 expense should be shown net of interest capitalized. Interest expense **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:

- variance;
- bad debts;
- 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);
- materials, components and supplies (line 48).

B4- Net Profit / Loss after tax and other items

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

Line 61: Provision for income tax

Include:

- Federal corporate income taxes;
- Provincial/territorial corporate income taxes.

Line 62: Realized gains/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 items and unusual 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 shown before the deduction of income taxes applicable.
- b) Extraordinary and unusual items** comprise gains, losses and provision for losses which are not typical of the normal business activities of the business unit. In a business, the events giving rise to extraordinary gains/losses are not expected to occur regularly over a period of years, 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;
- acts of God, 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

a) results of current operations should be reflected in appropriate revenue and expense items

b) recognition of future gains or losses

c) 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. This item could include 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 and 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)

Less: **Line 59** (Total COGS) [= Gross Profit/Loss]

Less: **Line 60** (Total expenses)

Plus: **Line 61** (Provision for income tax)

Plus: **Line 62** (Realized gains/losses)

Plus: **Line 63** (Unrealized gains/losses)

Plus: **Line 64** (Other items)

This amount should agree with Net Profit/Loss from your Income Statement.

C - First Destination of Sales

This section represents a breakdown, by first destination of sales of your total sales (reported at line 14). 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* 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 the sales of goods by the individual commodities produced by manufacturing

operations. **Exclude** shipping charges by contract or common carrier if possible for each commodity 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 sell products that are not included on this list, please enter the product name and relevant values on the blank lines provided. Where quantity information is requested, please provide this information from your records or, if not recorded, provide your best estimate.

Line 86: Total sales of goods manufactured

The sum of product sales in this section should agree with line 14.

Line 87: Shipping charges by common or contract carriers

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

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 by the individual commodities used in manufacturing operations. If you purchased raw materials that are not pre-printed in this section, please enter the raw material commodity 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 the business unit, i.e., the amounts (after discounts) actually paid or payable. If you are a part of a multi-establishment firm and receive semi-processed goods as transfers from 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 this 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 provided on the sheet, please enter the description and relevant values on the blank lines provided. Where quantity information is requested, please provide this information from your records or, if not recorded, provide your best estimate.

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. Figures 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 in each location. **Do not include benefit contributions by the employer.**

This section also asks for the average number of employees for all locations included in this 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 in each location.

Please provide a separate set of data for each separate location. Locations are pre-printed, please note if any locations were deleted. If you have added any locations, or if any locations were not pre-printed, please provide the information on these. The section is designed to account for all personnel on the payroll of the business unit, **including** those working in ancillary units which form part of this business unit.

Employment at this location

Direct Labour (Manufacturing and 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) Labour

Please report gross salaries and average number of workers. **Do not** report 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/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 the business unit **for energy purposes only**, both in its 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 the business unit in all plant and office operations and any support units which are part of this business unit. Please **include** transportation, duties, etc. which form part of the laid-down cost at the 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

The delivered cost of purchased electricity should be reported at this line. Electricity generated by your business unit **should not** be netted out of purchased electricity.

Line 93: Gasoline (excluding motor vehicle use)

The cost of purchased gasoline includes that used for all plant operations. Fuel for motor vehicle use should only be reported 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 (excluding motor vehicle use)

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

Line 97: Liquefied petroleum gas (e.g., propane, butane) (excluding motor vehicle use)

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. Fuel for motor vehicle use should only be reported at line 35.

Line 98: Natural gas (excluding motor vehicle use)

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. Fuel for motor vehicle use should only be reported 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 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/expenses

This item represents the total of all purchased energy and water costs that are itemized above at lines 92 to 101.

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?

Please indicate "yes" if your business unit generated any energy (e.g., heat, steam, electricity) that you would otherwise have purchased externally. If you checked "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 ³
Board Feet (Logs), Thousand	M.ft.b.m.	4.53000	m ³
Board Feet (Lumber), Thousand	M.Bd.Ft.	2.35974	m ³
British Thermal Unit	Btu	1.05506	kJ
Carat	ct.	0.20000	g
Cord	cd.	2.40693	m ³
Cubic foot	cu.ft.	0.02832	m ³
Cubic yard	cu.yd.	0.76455	m ³
Cunit (wood chips)	cunit	2.83168	m ³
Foot	ft.	0.30480	m
Gallon	gal.	4.54609	l
Gallon (U.S.)	gal. (US)	3.78541	l
Hundredweight	cwt.	45.35924	kg
Ounce	oz.	28.34952	g
Pound	lb.	0.45359	kg
Roof Square	rf. sq.	9.29030	m ²
Square foot	sq. ft.	0.09290	m ²
Square yard	sq. yd.	0.83613	m ²
Ton	ton	0.90718	tonne
Ton	ton	907.18474	kg
Yard	yd.	0.91440	m

Metric	Abbreviation	Imperial	
Cubic metre	m ³	1.30795	cu. yd.
Cubic metre	m ³	0.41547	cd.
Cubic metre	m ³	0.35315	cunit
Cubic metre	m ³	0.22075	M.ft.b.m.
Cubic metre	m ³	0.42378	M.Bd.Ft.
Gigajoule	gj	947,817.1199	Btu
Gram	g	0.03527	oz.
Gram	g	5.00000	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	1.10231(short)	ton
Metric tonne	tonne	2,204.62262	lb
Square metre	m ²	1.19599	sq. yd.
Square metre	m ²	0.10764	rf. sq

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Data from the Annual Survey of Manufactures and Logging

Marketing and Dissemination
Telephone: (613) 951-9497
Toll Free (866) 873-8789
E-mail: manufact@statcan.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 **1 888 881-3666** 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 will also serve as a guide to completing next year's survey.

Thank you for your cooperation. Remember, all data provided are kept confidential.