

# Survey on Capital and Repair Expenditures Actual 2011

## Reporting Guide

### Introduction

#### 1. Reports Required

- Reports should be completed for Canadian activities and locations as described on the pre-printed label.

#### 2. Dollar Amounts and Percentages

- All dollar amounts reported should be rounded to THOUSANDS OF CANADIAN DOLLARS (e.g., \$6,555,444.00 should be rounded to \$6,555);
- Percentages should be rounded (e.g., 37%, 76%, 94%);
- Your best estimates are acceptable when precise figures are not available;
- Pre-printed cell numbers are for identification purposes only.

#### 3. Return of Questionnaire

**By Mail to:** Statistics Canada,  
150 Tunney's Pasture Driveway, Distribution Center - SC-0702  
Ottawa, Ontario K1A 0T6

**By Fax at:** toll free at 1-888-883-7999

Statistics Canada advises you that there could be a risk of disclosure during the facsimile or other electronic transmission. However, upon receipt of your information, Statistics Canada will provide the guaranteed level of protection afforded all information collected under the authority of the *Statistics Act*.

#### 4. Questions?

If you have any questions, please call us toll free at 1-877-604-7828 or by e-mail at [Invest@statcan.gc.ca](mailto:Invest@statcan.gc.ca)

#### 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.

**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, as well as Natural Resources Canada, Industry Canada, Environment Canada, Newfoundland and Labrador Department of Natural Resources, Nova Scotia Department of Natural Resources, New Brunswick Department of Natural Resources, Ontario Ministry of Northern Development, Mines and Forestry, Manitoba Department of Innovation, Energy and Mines, British Columbia Ministry of Energy, and British Columbia Ministry of Forests, Mines and Lands. The agreements we have with these agencies require that they keep the information confidential and use it only for statistical and research purposes.

Further to the section 12 agreement with the Saskatchewan Department of Energy and Resources, Statistics Canada is collecting the information for itself pursuant to the *Statistics Act* and on behalf of the Saskatchewan Department of Energy and Resources pursuant to The Mineral Resources Act (Saskatchewan). In this case, respondents do not have the right to object to sharing their information since the party to the Agreement is authorized by law to require the respondent to provide the information. Similarly, Statistics Canada has entered into an agreement under section 12 of the *Statistics Act* with the Canadian Radio-television and Telecommunications Commission (the CRTC) for the sharing of information from this survey pertaining to the telecommunications services industry (NAICS 517). The CRTC is authorized by law to require the respondent to provide the information under section 37 of the *Telecommunications Act*. Information provided to the CRTC will be treated in accordance with the requirements of section 39 of the *Telecommunications Act*.

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.

#### Record linkages

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

## Pre-Printed Label

#### Type of Ownership

- Private** – less than 50% of the voting rights are controlled by the government
- Public** – more than 50% of the voting rights are controlled by the government
- specify Federal, Provincial or Municipal

## Fiscal Year End

For the purpose of this survey, please report information for your **12 month fiscal period** for which the **FINAL DAY** occurs on or between April 1, 2011 - March 31, 2012.

The following are acceptable report periods for **2011**:

May 2010	-	April 2011	(04/11)	Nov. 2010	-	Oct. 2011	(10/11)
June 2010	-	May 2011	(05/11)	Dec. 2010	-	Nov. 2011	(11/11)
July 2010	-	June 2011	(06/11)	Jan. 2011	-	Dec. 2011	(12/11)
Aug. 2010	-	July 2011	(07/11)	Feb. 2011	-	Jan. 2012	(01/12)
Sept. 2010	-	Aug. 2011	(08/11)	March 2011	-	Feb. 2012	(02/12)
Oct. 2010	-	Sept. 2011	(09/11)	April 2011	-	March 2012	(03/12)

## Definitions

### What are Capital Expenditures?

Capital Expenditures are the **gross expenditures** on fixed assets for use in the operations of your organization or for lease or rent to others.

#### Include:

- Cost of all new buildings, engineering, machinery and equipment which normally have a life of more than one year and are charged to fixed asset accounts
- Modifications, acquisitions and major renovations
- Capital costs such as feasibility studies, architectural, legal, installation and engineering fees
- Subsidies
- Capitalized interest charges on loans with which capital projects are financed
- Work done by own labour force
- Acquisitions to work in progress

### How to Treat Leases

**Include** assets acquired for lease to others, either as a capital, financial or as an operating lease

**Exclude** assets acquired as a lessee through either a capital, financial or an operating lease from others

### Information for Government Departments

The following applies to government departments **only**:

- **include** all capital expenditures without taking into account the capitalization threshold of your department
- Grants and/or subsidies to outside entities (*e.g., municipalities, agencies, institutions or businesses*) are **not** to be **included**
- Departments are requested to **exclude** from reported figures budgetary items pertaining to any departmental agency and proprietary crown corporation as they are surveyed separately
- Federal departments are to report expenditures paid for by the department, regardless of which department awarded the contract
- Provincial departments are to **include** any capital expenditures on construction (**exclude outlays for land**) and/or machinery and equipment, for use in Canada, financed from revolving funds, loans attached to revolving funds, other loans, the Consolidated Revenue Fund or special accounts

## Section A : Capital and Repair Expenditures

### Column Headings

#### New Assets, Renovation, Retrofit (Column 1)

Report Capital Expenditures for acquisitions of new assets including the portion of work in progress for the current year. **Include imports of used assets** since they represent newly acquired assets for the Canadian economy.

#### Purchase of Used Canadian Assets (Column 2)

The object of our survey is to measure the addition of **new** fixed assets separately from **used** fixed assets in the Canadian economy as a whole. This is because the acquisition of used assets does not increase the total inventory of fixed assets, only transfers them within the Canadian economy. Report acquisition of used assets separately in this column.

#### Non-Capital Repair and Maintenance Expenditures (Column 4)

This question represents the repair and maintenance of assets in contrast to the acquisition of assets in Columns 1 and 2.

#### Include:

- Gross non-capital repair and maintenance expenditures on non-residential buildings, other structures and on machinery and equipment;
- Value of repair work done by your own employees as well as payments to persons outside your employ;
- Building maintenance such as janitorial services, snow removal and sanding;
- Equipment maintenance such as oil changes and lubrication of vehicles and other machinery.

#### Disposals and Sales of Fixed Assets

##### Total Selling Price (Column 5)

Report the total value, or the sum of all disposal or sale transactions for those fixed assets which were disposed of sold, retired, destroyed or otherwise discarded even if traded in for credit in the acquisition or purchase of new fixed assets. When land and buildings are sold together, please report the selling price of the land separately, along with other land sales.

##### Gross Book Value (Column 6)

This value should represent total capital expenditures for an asset, at and since the time of original construction or purchase, **including** all subsequent capital expenditures for the purpose of modernization, expansion, etc. Any subsidies received should not be subtracted.

## Section A : Capital and Repair Expenditures (continued)

### Row Headings

#### Land (Row 1)

Capital expenditures for land should **include** all costs associated with the purchase of the land that are not amortized or depreciated. Improvements in land should be reported in Row 3.

#### Residential Construction (Row 2)

Capital expenditures incurred during the reporting period for residential structures (*on a contracted basis and/or by your own employees*).

**Include** the housing portion of multi-purpose projects and of townsites.

**Exclude** buildings that have accommodation units without self contained or exclusive use of bathroom and kitchen facilities (*e.g., some student and senior citizens residences*) and associated expenditures on services. Report these in Row 3.

#### Non-Residential Construction (Row 3)

Capital expenditures incurred during the reporting period for **non-residential building and engineering construction** (*on a contracted basis and/or by your own employees*) whether for your own use or rent to others.

##### Include:

- Manufacturing plants, warehouses, office buildings, shopping centres, etc.;
- Roads, bridges, sewers, electric power lines, underground cables, etc.;
- The cost of demolition of buildings, land servicing and site preparation;
- Leasehold and land improvements.

#### Machinery and Equipment (Row 4)

Capital expenditures incurred during the reporting period for **machinery and equipment**, whether for your own use or for lease or rent to others.

##### Include:

- Automobiles, trucks, professional and scientific equipment, office and store furniture and appliances;
- Computers (*hardware and software*), broadcasting, telecommunications and other information and communication technologies equipment;
- Motors, generators, transformers;
- Any capitalized tooling expenses;
- Progress payments paid out before delivery in the year in which such payments are made;
- Any balance owing or holdbacks should be reported in the year the cost is incurred.

#### Work in Progress

Work in progress represents accumulated costs since the start of capital projects which are intended to be capitalized upon completion.

Typically capital investment includes any expenditure on an asset in which its life is greater than one year. Capital items charged to operating expenses are defined as expenditures which could have been capitalized as part of the fixed assets, but for various reasons, have been charged to current expenses.

## Section B : Year over Year Variation of Capital Expenditures

Complete this section **only if this report shows significant changes** in TOTAL capital expenditures over previous fiscal period. The intent of this section is to reduce possible further inquiries by clarifying the reason(s) for major changes in the capital expenditures reported.

If there has been a launch of a major project or expansion of an existing project, please provide the nature, location, and (if applicable) the name(s)/title(s) of the project in the comment section of the questionnaire.

## MANUFACTURING COMPANIES ONLY Section C : Capacity Utilization

**Capacity utilization** is the percent of maximum production that the manufacturing plant is operating at. It is calculated by taking the actual production level for an establishment (*measured in dollars or units*) and dividing it by its **capacity production** (*defined as the establishment's maximum production under normal conditions*).

To calculate **capacity production**, follow the establishment's operation practices with respect to the use of productive facilities, overtime, workshifts, holidays, etc. For example, if your plant normally operates with one shift of eight hours a day, five days a week, then capacity will be calculated subject to these conditions and not on the hypothetical case of three shifts a day, seven days a week.

**Example:** Plant "A" normally operates one shift a day, five days a week and given this operating pattern capacity production is 150 units of product "A" for the month. In that month actual production of product "A" was 125 units. The capacity utilization rate for plant "A" is  $(125/150) * 100 = 83\%$

Now suppose that plant "A" had to open a shift on Saturdays to satisfy an abnormal surge in demand for product "A". Given this plant's normal operating schedule, capacity production remains at 150 units. Actual production has grown to 160 units, so capacity utilization would be  $(160/150) * 100 = 107\%$ .

## Section D : Cost Components of Expenditures, 2011

This section requests a breakdown of expenditures for work performed by contractors hired by the company and for work performed by the company's own employees.

### **Total (column 1)**

Copy **totals** from Section A, Boxes A, E, C and F. These are the amounts to be divided between contractors and company's own workers.

### **Value of Work Performed by Contractors (column 2)**

Work performed by contractors are contract billings or equivalent **including** holdbacks.

### **Value of Own Account Work (column 3)**

In addition to own account work, **include** all materials and supplies provided free to contractors and all architects, engineering and consultants fees and similar services.

### **Salaries and Wages (column 4)**

Show the total value of salaries and wages paid to your employees. Salaries and wages are gross earnings before deductions such as income tax and **include** incentive bonuses and vacation pay but **exclude** fringe benefits.

### **Materials and Supplies (column 5)**

Report total cost of materials and supplies used by your own employees and those provided free to contractors relating to the expenditures reported.

### **Other Charges (column 6)**

Examples of other charges are insurance, power, telephone and also architectural, legal, and engineering fees considered to be applicable to the expenditures reported.