

# Annual Capital and Repair Expenditures Survey: Actual for 2016

## 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

- all dollar amounts reported should be rounded to **thousands of Canadian dollars** (e.g., \$6,555,444.00 should be rounded to \$6,555);
- **exclude** sales tax;
- 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 [statcan.invest-investir.statcan@canada.ca](mailto:statcan.invest-investir.statcan@canada.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 have agreed to 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 as well as National Energy Board, Natural Resources Canada, Environment Canada and Infrastructure Canada.

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 and to minimize the reporting burden, Statistics Canada may combine it with information from other surveys or from administrative sources.

## 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, 2016 — March 31, 2017.

The following are acceptable report periods for **2016**:

|       |      |   |       |      |         |       |      |   |       |      |         |
|-------|------|---|-------|------|---------|-------|------|---|-------|------|---------|
| May   | 2015 | – | April | 2016 | (04/16) | Nov.  | 2015 | – | Oct.  | 2016 | (10/16) |
| June  | 2015 | – | May   | 2016 | (05/16) | Dec.  | 2015 | – | Nov.  | 2016 | (11/16) |
| July  | 2015 | – | June  | 2016 | (06/16) | Jan.  | 2016 | – | Dec.  | 2016 | (12/16) |
| Aug.  | 2015 | – | July  | 2016 | (07/16) | Feb.  | 2016 | – | Jan.  | 2017 | (01/17) |
| Sept. | 2015 | – | Aug.  | 2016 | (08/16) | March | 2016 | – | Feb.  | 2017 | (02/17) |
| Oct.  | 2015 | – | Sept. | 2016 | (09/16) | April | 2016 | – | March | 2017 | (03/17) |

## Definition

### 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 as a lessee through either a capital or financial lease;
  - assets acquired for lease to others as an operating lease.

- Exclude:**
- assets acquired for lease to others, either as a capital or financial lease.

### 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 to be **excluded**;
- 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) 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.

# Capital and repair expenditures

## Column headings

### Asset codes (column 1)

Capital expenditures are to be reported by asset type code. The code for each main asset type is located on page 6, 7, 8 and 9 of this guide. These codes are to be used in question 2 column 1, question 3 column 1 and question 7.

- If you have purchased more than one asset in a particular asset group, report them separately if they had a different expected useful life (question 2 and 3, column 6), otherwise you may combine the data;
- The use of "Other" codes is to be avoided, if possible.
- In question 2 and 3, construction and machinery and equipment type of assets are separated. This is not necessary in question 7;
- If more lines are required for question 2, 3 or 7, please photocopy the relevant section(s) and attach to the questionnaire.

### New assets (column 2)

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 3)

The object of our survey is to measure the acquisitions 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, it only transfers them within the Canadian economy. Report acquisition of used assets separately in this column.

### Renovation, retrofit, refurbishing, overhauling and restoration (column 4)

Report capital expenditures for existing assets being upgraded, renovated, retrofitted, refurbished, overhauled or restored.

### Expected useful life of assets (column 6)

Report the expected life of the asset in years.

## Row headings

### Land

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

### Residential construction

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.

### Non-residential construction

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.
  - acquisitions to work in progress;
  - townsite facilities such as streets, sewers, stores and schools;
  - buildings that have accommodation units without self contained or exclusive use of bathroom and kitchen facilities (e.g., some student and senior citizen residences) and associated expenditures on services;
  - all preconstruction planning and design costs such as engineer and consulting fees and any materials supplied to construction contractors for installation, etc.

## Capital and repair expenditures (continued)

### Machinery and equipment

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;
  - acquisitions to work in progress;
  - 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.

### Non-capital repair and maintenance expenditures

This question represents the repair and maintenance of assets in contrast to the acquisition of assets or the renovation of assets.

- 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.

### 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.

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.

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## Question 5: Cost component of expenditures (own account work and work performed by contractors)

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.

### Value of work performed by contractors (column 1)

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

### Value of own account work (column 2)

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.

### Total (column 3)

Copy **totals** from **Box A1 + Box A2** and **Box B1 + Box B2** in question 1, **Box C** and **Box D** in question 4. These are the amounts to be divided between contractors and company's own workers.

### 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.

### Questions (1, 2 and 3) leasing

#### Operating lease

The lessor bears the risk of ownership and retains a significant "residual" economic interest in the leased property. The lessee has the right to temporary use of the property, for a term shorter than the economic life of the property, in exchange for regular payments. At the end of the lease, the lessee has the option of purchasing the property at fair market value.

#### Capital or financial lease

These leases are similar in that the lessor in effect finances the "purchase" of the leased property by the lessee and retains a security interest in the leased property. The lessee retains the leased property for substantially all of its economic life. The lessee usually has the option at the end of the lease to purchase the property at a "bargain" price.

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## Question 7: Disposal and sales of fixed assets

### Selling price

The total value, or the sales of fixed assets which were disposed of or sold, 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

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.

### Age

Report the age of the fixed asset at the time of disposal.

If you have disposed of or sold similar assets of varying ages, report them separately or combine the data and provide a weighted average for the ages.

## Non-residential construction

### Asset description and codes

The asset items and categories listed below are groupings of fixed assets generally having a similar function which can apply to various industries.

**Construction** structures should be classified to an asset according to its principal use unless it is a multi-purpose structure where we would like you to separate the components. The cost of any machinery and equipment which is an integral or built-in feature of the structure (i.e. elevators, heating equipment, sprinkler systems, environmental controls, intercom systems, etc.) should be reported as part of that structure as well as landscaping, associated parking lots, etc.

| Asset code | Industrial Building  | Asset code | Institutional Building  |
|------------|--|------------|---|
| 6221121    | Manufacturing plants   | 6223111    | Schools, colleges, universities and other educational buildings               |
| 6221131    | Industrial depots and service buildings                          | 6223311    | Religious centres and memorial sites  |
| 6221111    | Farm buildings and structures                                    | 6223211    | Hospitals   |
| 6221141    | Other industrial sites and structures — specify:                 | 6223222    | Nursing homes, homes for the aged   |
|            | <b>Commercial Building</b>                                       | 6223221    | Health centres, clinics and other health care buildings                       |
| 6222311    | Industrial laboratories, research and development centres        | 6223341    | Daycare centres   |
| 6222321    | Warehouses   | 6223351    | Libraries   |
| 6222331    | Service stations   | 6223331    | Historical sites  |
| 6222111    | Office buildings   | 6223361    | Public security facilities  |
| 6222351    | Hotels   | 6223321    | Museums   |
| 6222341    | Restaurants  | 6223371    | Other institutional properties - specify:                                     |
| 6222211    | Shopping centres, plazas, malls and stores                       |            | <b>Marine Engineering</b>   |
| 6222361    | Theatres and halls   | 6231311    | Seaports  |
| 6222363    | Indoor recreational facilities                                   | 6231331    | Canals and waterways  |
| 6222372    | Other collective dwellings                                       | 6231321    | Marinas and harbours  |
| 6222371    | Student residences   | 6231399    | Other marine infrastructure - specify:  |
| 6222380    | Airports and other passenger terminals                           |            | <b>Transportation Engineering</b>   |
| 6222391    | Communications buildings   | 6231211    | Parking lots and garages  |
| 6222362    | Sports facilities with spectator capacity                        | 6231111    | Highway and road structures and networks                                      |
| 6222392    | Other commercial properties, not elsewhere classified - specify: | 6231411    | Runways (include lighting)  |
|            |  | 6231221    | Railway lines   |
|            |  | 6231121    | Bridges   |
|            |  | 6231131    | Tunnels   |
|            |  | 6231499    | Other land transportation infrastructure, not elsewhere classified - specify: |

| <b>Asset code</b> | <b>Waterworks Engineering</b>   | <b>Asset code</b> | <b>Mining</b>  |
|-------------------|---|-------------------|--|
| 6235111           | Water filtration plants   | 6236112           | Mine surface buildings (except for beneficiation)            |
| 6235121           | Water supply infrastructure - specify:  | 6236113           | Mine buildings for beneficiation treatment of minerals       |
|                   | <b>Sewage Engineering</b>   | 6236114           | Mine structures  |
| 6235211           | Sewage treatment plants   | 6236115           | Tailing disposal systems, settling ponds                     |
| 6235221           | Sewage treatment infrastructure - specify:  | 6236116           | Mine-site development  |
|                   | <b>Electric Power Engineering</b>   |                   | <b>Oil and gas and mineral exploration construction</b>      |
| 6233112           | Steam production plants   | 6411112           | Exploration drilling for oil and gas                         |
| 6233113           | Nuclear production plants   | 6411114           | Other oil and gas exploration                                |
| 6233114           | Hydro-electric power plants   | 6412111           | Mineral exploration  |
| 6233119           | Other Power generating plants   |                   | <b>Other Engineering</b>                                     |
| 6233121           | Power transmission networks   | 6236262           | Pollution abatement and control                              |
| 6233131           | Power distribution networks   | 6236251           | Outdoor recreational facilities                              |
|                   | <b>Communication Engineering</b>  | 6236231           | Waste disposal facilities                                    |
| 6234112           | Telecommunications transmission cables and lines (except optical fibre) - (e.g., aerial, underground and submarine) | 6236241           | Irrigation networks  |
| 6234113           | Telecommunications transmission optical fibre cables (e.g., aerial, underground and submarine)                      | 6112111           | Improved land  |
| 6234114           | Telecommunications transmission support structures - towers, poles, conduit   | 6236211           | Reclaimed land   |
| 6234119           | Other communications networks - specify:  | 6236221           | Flood protection infrastructure                              |
|                   | <b>Oil and Gas Engineering</b>  | 7823131           | Site remediation   |
| 6232122           | Oil refineries  | 6236269           | Other engineering works, not elsewhere classified - specify: |
| 6232123           | Natural gas processing plants   |                   |  |
| 6232211           | Pipelines   |                   |  |
| 6232112           | Development drilling for oil and gas  |                   |  |
| 6232113           | Production facilities in oil and gas extraction   |                   |  |
| 6232114           | Enhanced recovery projects  |                   |  |
| 6232115           | Site development and other pre-mining costs   |                   |  |
| 6411113           | Geological, geophysical and other exploration and evaluation costs  |                   |  |
| 6232999           | Other oil and gas infrastructure - specify:   |                   |  |

## Machinery and equipment

### Asset description and codes

The asset items and categories listed below are groupings of fixed assets generally having a similar function that can apply to various industries.

a) **Machinery and equipment** are generally housed in structures and can be removed or replaced without significantly altering the structure

| Asset code | Medium and Heavy Trucks, Buses and Other Motor Vehicles  | Asset code | Software  |
|------------|--|------------|---|
| 4121100    | Medium and heavy-duty trucks   | 4814000    | Pre-Packaged Software   |
| 4121211    | Buses  | 6431101    | Custom software, developed in-house/own account                                   |
| 4121300    | Freight and utility trailers   | 6431102    | Custom software, contracted out   |
| 4121221    | Special-purpose vehicles   |            |   |
| 3454211    | Materials handling trucks and tractors   |            |   |
| 4129000    | Other motor vehicles   | 3621200    | Broadcast, studio, alarm, and signalling equipment                                |
|            | <b>Passenger Cars and Light Trucks</b>   | 3621300    | Navigational and guidance instruments   |
| 4111000    | Passenger cars, light-duty trucks, vans and SUVs   | 3621100    | Telephone and data communications equipment                                       |
|            | <b>Other Transportation Equipment</b>  | 3622100    | Televisions and other audio and video equipment                                   |
| 4411200    | Locomotives, railway rolling stock, and rapid transit equipment  | 3621419    | Other communication equipment - specify:  |
| 4211112    | Civilian aircraft  |            |   |
| 4411112    | Non-military ships, barges and platforms   |            |   |
| 4421100    | Boats and personal watercraft  | 3421121    | Commercial cooking and food-warming equipment                                     |
| 4421259    | Other transportation equipment - specify:  | 3421130    | Commercial and service industry machinery and equipment, not elsewhere classified |
|            | <b>Processing Equipment</b>  |            |   |
| 3453311    | Water treatment equipment  |            |   |
| 3454342    | Filters and strainers for fluids and fluid power systems   | 3454100    | Heavy-gauge metal containers (including intermodal)                               |
| 3454331    | Packing, packaging, and bottling machinery   | 3454320    | Hand tools and power hand tools (except welding and soldering equipment)          |
| 3321151    | Mineral crushing, screening, processing and beneficiation machinery and equipment                      | 3321111    | Logging machinery and equipment   |
| 3411100    | Metalworking machinery   | 3321141    | Rock drilling machinery and equipment   |
| 3455110    | Industrial moulds, special dies, and patterns  | 3321142    | Other mining and quarrying machinery and equipment, not elsewhere classified      |
| 3431100    | Other industry-specific manufacturing machinery, not elsewhere classified - specify:                   | 3321165    | Oil and gas field production machinery and equipment                              |
|            | <b>Computers and Office Equipment</b>  | 3321169    | Other oil and gas field machinery and equipment (except for production)           |
| 3611100    | Computers and computer peripheral equipment  | 3321170    | Construction machinery and equipment  |
| 3421110    | Optical and projection equipment, photocopiers, and office machines (except computers and peripherals) | 3453113    | Nuclear reactor steam supply systems  |
| 3911400    | Office furniture   |            |   |



| Asset code | Other Industrial Machinery and Equipment (continued)  | Asset code | Other machinery and equipment (continued)                          |
|------------|---|------------|--|
| 3454311    | Welding and soldering equipment   | 3631100    | Electric motors and generators                                     |
| 3454341    | Industrial furnaces and ovens, and electric industrial heating equipment  | 3812300    | Switchgear, switchboards, relays, and industrial control apparatus |
| 3454249    | Other materials handling equipment, conveyors, and elevators  | 3452111    | Turbines, turbine generators, and turbine generator sets           |
|            | <b>Medical, Scientific and Technical Instruments and equipment</b>  | 3453159    | Boilers, metal tanks, industrial valves and seals                  |
| 3631300    | Medical and laboratory equipment (except scientific instruments)  | 3311100    | Agricultural, lawn and garden machinery and equipment              |
| 3631260    | Scientific and technical instruments (except electromedical and irradiation equipment)  | 3631230    | Instruments for measuring electricity                              |
| 3631269    | Other measuring, control, and scientific instruments (except electromedical and irradiation equipment)                            | 9999999    | Other machinery and equipment - specify:                           |
| 4751100    | Medical, dental and personal safety supplies  |            |  |
|            | <b>Other Machinery and Equipment</b>  |            |  |
| 3911600    | Institutional and other furniture, not elsewhere classified (including furniture frames)  |            |  |
| 3451000    | Engines (except gasoline and diesel engines for motor vehicles, and aircraft engines) and mechanical power transmission equipment |            |  |
| 3453200    | Pumps and compressors   |            |  |
| 3441100    | Heating and cooling equipment (except household refrigerators and freezers)   |            |  |
| 3812211    | Power and distribution transformers   |            |  |
| 3812220    | Other transformers  |            |  |
| 4211111    | Military aircraft   |            |  |
| 4411111    | Military ships  |            |  |
| 4421231    | Military armoured vehicles  |            |  |
| 4751211    | Billboards  |            |  |
| 4711321    | Non-residential mobile buildings  |            |  |
| 1561111    | Waste and scrap of iron and steel (Disposal of fixed assets only)   |            |  |
| 1561211    | Waste and scrap of aluminum and aluminum alloy (Disposal of fixed assets only)  |            |  |
| 1561220    | Waste and scrap of other non-ferrous metals (Disposal of fixed assets only)   |            |  |

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