

Survey on Capital and Repair Expenditures Actual 2009

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 055 to 872 are for identification purposes only.

3. Return of Questionnaire

**By Mail to: Investment and Capital Stock Division,
Statistics Canada,
Ottawa, Ontario K1A 0T6**

By Fax at: (613) 951-0196 or toll free at 1 800 606-5393

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 at **(613) 951-9815**, toll free at **1 800 345-2294** or by e-mail at **Invest@statcan.gc.ca**

Data sharing Agreements

To avoid duplicating survey activity, Statistics Canada has entered into the following data sharing agreements concerning this Survey.

Under section 11 of the *Statistics Act*, Statistics Canada has entered into data sharing agreements with the statistical bureaus of Newfoundland and Labrador, Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba, Saskatchewan, Alberta, British Columbia and Yukon. Statistics Canada only enters into section 11 agreements with provincial statistical agencies which have statistic acts similar to the federal act. These agencies have the authority to collect this information and the same provisions for confidentiality and penalties for disclosure of information as the federal *Statistics Act*.

Under section 12 of the *Statistics Act*, Statistics Canada has entered into data sharing agreements with Energy, Mines and Resources Canada, Industry, Science and Technology Canada, Canada Mortgage and Housing Corporation, Environment Canada, Newfoundland Department of Mines and Energy, the Prince Edward Island Department of the Provincial Treasury, Nova Scotia Department of Mines and Energy, New Brunswick Department of Natural Resources, Ontario Ministry of Northern Development and Mines, Manitoba Department of Energy and Mines, Saskatchewan Department of Energy and Mines, British Columbia Ministry of Energy, Mines and Petroleum Resources, the Northwest Territories Bureau of Statistics and the Nunavut Bureau of Statistics. The agreements we have with these agencies require that they keep the information confidential and use it only for statistical and research purposes. Under section 12, respondents may object to the sharing of their information with any of these agencies by giving notice in writing to the Chief Statistician and by returning their letter of objection along with the completed questionnaire in the enclosed envelope.

To reduce response burden and to ensure more uniform statistics, 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). Subsection 12(2) of the *Statistics Act* provides that where a respondent gives notice in writing to the Chief Statistician that the respondent objects to the sharing of the information by Statistics Canada, the information not be shared with the department or corporation unless the department or corporation is authorized by law to require the respondent to provide the information. 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*.

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, 2009 - March 31, 2010.

The following are acceptable report periods for **2009**:

May 2008 - April 2009 (04/09)	Nov. 2008 - Oct. 2009 (10/09)
June 2008 - May 2009 (05/09)	Dec. 2008 - Nov. 2009 (11/09)
July 2008 - June 2009 (06/09)	Jan. 2009 - Dec. 2009 (12/09)
Aug. 2008 - July 2009 (07/09)	Feb. 2009 - Jan. 2010 (01/10)
Sept. 2008 - Aug. 2009 (08/09)	March 2009 - Feb. 2010 (02/10)
Oct. 2008 - Sept. 2009 (09/09)	April 2009 - March 2010 (03/10)

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.

Section C : Capacity Utilization (Manufacturing companies only)

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, 2009

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.