

# Annual Capital and Repair Expenditures Survey: Actual for 2017

## 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 **TTY 1-855-382-7745**.

#### 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 the Bank of Canada, Environment Canada, Infrastructure Canada, National Energy Board and Natural Resources 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, 2017 — March 31, 2018.

The following are acceptable report periods for **2017**:

May	2016	–	April	2017	(04/17)	Nov.	2016	–	Oct.	2017	(10/17)
June	2016	–	May	2017	(05/17)	Dec.	2016	–	Nov.	2017	(11/17)
July	2016	–	June	2017	(06/17)	Jan.	2017	–	Dec.	2017	(12/17)
Aug.	2016	–	July	2017	(07/17)	Feb.	2017	–	Jan.	2018	(01/18)
Sept.	2016	–	Aug.	2017	(08/17)	March	2017	–	Feb.	2018	(02/18)
Oct.	2016	–	Sept.	2017	(09/17)	April	2017	–	March	2018	(03/18)

## 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, retrofited, 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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