

# Capital Expenditures

## Preliminary Estimate for 2009 and Intentions for 2010

Target date is 30 days from Date of Receipt

Collected under the authority of the *Statistics Act*, Revised Statutes of Canada, 1985, Chapter S-19.

Completion of this questionnaire is a legal requirement under this Act.

Confidential when completed.

Si vous préférez recevoir ce questionnaire en français, veuillez cocher  ou téléphoner au numéro sans frais : 1 800 345-2294.

**FORM FN2**

Please correct pre-printed label information, **if necessary**, using the corresponding boxes below:

Legal Name	Mail Contact Name		
Business Name	Title		
Location	Mail Address		
Principal Activity	Telephone Number	Extension	Fax Number
Type of Ownership ( <i>Please see reporting guide</i> )	( )		( ) -
<b>For Statistics Canada Use Only</b>			
<input type="checkbox"/> E-Mail	<input type="checkbox"/> SMO V.	<input type="checkbox"/> Corr.	<input type="checkbox"/> BK. I.

### INTRODUCTION

#### Survey Purpose

This survey collects data on capital expenditures in Canada. The information is used by Federal and Provincial governments and agencies, trade associations, universities and international organizations for policy development and as a measure of regional activity.

#### Data sharing Agreements

Statistics Canada has entered into agreements with provincial and territorial statistical agencies for the sharing of data. The data are kept confidential and used for statistical purposes only. **Your responses are not shared with Canada Revenue Agency.**

#### Confidentiality

Statistics Canada is prohibited by law from publishing any statistics which would divulge information obtained from this survey that relates to any identifiable business. The data reported on this questionnaire will be treated in strict confidence. The confidentiality provisions of the *Statistics Act* are not affected by either the *Access to Information Act* or any other legislation.

#### Return of Questionnaire

Please mail the completed questionnaire to **Investment and Capital Stock Division**, Statistics Canada, Ottawa, Ontario K1A 0T6, or by Facsimile: **(613) 951-0196** or toll free at **1 800 606-5393**.

#### Fax or Other Electronic Transmission Disclosure

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*.

#### To Complete the Questionnaire, Consult the Reporting Guide

Instructions, definitions and examples can be found in the reporting guide. Reading these before completion can save you both time and effort in filling out this questionnaire. For additional information, please call us at **(613) 951-9815**, toll free at **1 800 345-2294** or by e-mail at **Invest@statcan.gc.ca**.

#### Reporting Period Information

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 and March 31, 2010 for 2009 and April 1, 2010 and March 31, 2011 for 2010. (*See reporting guide for examples*). **Please indicate below the period covered by this report.**

	YYYY	MM		YYYY	MM
<b>2009</b>	From	<input type="text"/>	To	<input type="text"/>	<input type="text"/>
	YYYY	MM		YYYY	MM
<b>2010</b>	From	<input type="text"/>	To	<input type="text"/>	<input type="text"/>

Name of person completing this questionnaire: (*please print clearly*)

First Name and Last Name	<input type="text"/>				
Title	<input type="text"/>				
Telephone Number	<input type="text"/>	-	<input type="text"/>	-	<input type="text"/>
			Ext.	<input type="text"/>	
			Fax Number	<input type="text"/>	-
				<input type="text"/>	-
				YYYY	MM DD
Signature	<input type="text"/>			Date completed	<input type="text"/>

*I certify that the information contained herein is complete and correct to the best of my knowledge.*

## Section A - Information Related to Project

1. Joint venture project:

a) Is this project a joint venture?  
 1  Yes    2  No

b) If yes, are you reporting for the entire joint venture?  
 1  Yes    2  No

c) List other participants and their share of the joint venture:

		%
		%
		%

2. Business activity at this location:  
 \_\_\_\_\_

3. Physical address of project:  
 \_\_\_\_\_

4. Size of structure(s)  
 (square metres) .....        
 YYYYY    MM

5. Construction starting date: ....        
 YYYYY    MM

6. Construction completion date: ....

7. Total project value representing:

a) Construction ..... \$  000.<sup>00</sup>

b) Machinery and equipment .... \$  000.<sup>00</sup>

8. Do you have the value or estimate of the work put in place on a monthly or quarterly basis?  
 1  Yes    2  No

## PRELIMINARY ESTIMATE 2009

### Section B - Capital Expenditures

(Include acquisitions to work in progress)	New Assets, Renovation, Retrofit (include used fixed assets if imported)		Purchase of Used Canadian Assets		Total Capital Expenditures (Columns 1 + 2)	
	(thousands of dollars)					
	(1)	(2)	(3)	(4)	(5)	(6)
1. Land	100	000. <sup>00</sup>				
2. Residential Construction	101	000. <sup>00</sup>	102	000. <sup>00</sup>		
3. Non-Residential Construction (including for lease to others)	103	000. <sup>00</sup>	104	000. <sup>00</sup>	105	000. <sup>00</sup>
4. Machinery and Equipment (including for lease to others)	107	000. <sup>00</sup>	108	000. <sup>00</sup>	109	000. <sup>00</sup>
5. What percentage of question 4, <b>Box 107</b> is for the purchase of software?					076	<input type="text"/> <input type="text"/> <input type="text"/> %

### Section C - Capacity Utilization (Manufacturing only)

Expected production starting date:        
 YYYYY    MM

1. If production has started, at what percentage of its capacity has this plant been operating in 2009?  
 (If the year 2009 is not completed when you fill in this questionnaire, report for the year to date)  
 Capacity is defined as maximum production attainable under normal conditions. With regard to normal conditions, please follow the company's operating practices with respect to the use of productive facilities, overtime, workshifts, holidays, etc. When any of your facilities permit the substitution of one product for another, use a product mix at capacity which is most similar to the composition of your 2009 output.

2. If this plant has been operating at less than capacity during 2009, what is the principal reason? (Please check the appropriate boxes)

• insufficient orders	850 <input type="checkbox"/>	• strike or work stoppage	853 <input type="checkbox"/>	• sufficient inventory	856 <input type="checkbox"/>
• insufficient labour available	851 <input type="checkbox"/>	• plant shutdown	854 <input type="checkbox"/>	• other reasons (please specify):	857 <input type="text"/>
• lack of materials or supplies	852 <input type="checkbox"/>	• start-up of new operation	855 <input type="checkbox"/>		

3. If this plant has been operating at more than capacity during 2009, what is the principal reason? (Please check the appropriate boxes)

• stronger demand for product	858 <input type="checkbox"/>	• other reasons (please specify):	860 <input type="text"/>
• insufficient inventory	859 <input type="checkbox"/>		

4. Has the production capacity of this plant changed in 2009? (change in resources e.g. plants, equipment, workforce, etc.)

• Increased	870 <input type="checkbox"/>	• Decreased	871 <input type="checkbox"/>	• No change	872 <input type="checkbox"/>
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Preliminary Estimate 2009  
 820    %

## INTENTIONS 2010

### Section D - Capital Expenditures

(Include acquisitions to work in progress)	New Assets, Renovation, Retrofit (include used fixed assets if imported)		Purchase of Used Canadian Assets		Total Capital Expenditures (Columns 1 + 2)	
	(thousands of dollars)					
	(1)	(2)	(3)	(4)	(5)	(6)
1. Land	111	000. <sup>00</sup>				
2. Residential Construction	112	000. <sup>00</sup>	113	000. <sup>00</sup>		
3. Non-Residential Construction (including for lease to others)	114	000. <sup>00</sup>	115	000. <sup>00</sup>	116	000. <sup>00</sup>
4. Machinery and Equipment (including for lease to others)	118	000. <sup>00</sup>	119	000. <sup>00</sup>	120	000. <sup>00</sup>
5. What percentage of question 4, <b>Box 118</b> is for the purchase of software?					077	<input type="text"/> <input type="text"/> <input type="text"/> %

How much time was spent compiling data and completing this questionnaire?  
 098   hour(s)    099   minute(s)

### COMMENTS

055  
 \_\_\_\_\_  
 \_\_\_\_\_

THANK YOU FOR YOUR CO-OPERATION

# Survey on Capital Expenditures

## Preliminary Estimate for 2009 and Intentions for 2010

### Reporting Guide

#### Introduction

**1. Reports Required**

- Reports should be completed for Canadian operations 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

**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](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.

The shared data will be limited 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 Natural Resources Canada, Environment Canada, the Newfoundland and Labrador Department of Mines and Energy, the Nova Scotia Department of Natural Resources, the New Brunswick Department of Natural Resources, the Ontario Ministry of Northern Development and Mines, Manitoba Science, Technology Energy and Mines and the British Columbia Ministry of Energy, Mines and Petroleum Resources.

For agreements with provincial and territorial government organizations, the shared data will be limited to business establishments located within the jurisdiction of the respective province or territory.

**Paragraph 12(2)(b)** of the *Statistics Act* states that respondents cannot object to the sharing of their information with organizations that are authorized by law to require the respondent to provide the same information.

For this survey, agreements exist under paragraph 12(2)(b) with the Canadian Radio-television and Telecommunications Commission (CRTC) and the Saskatchewan Department of Energy and Mines. More precisely, section 37 of the *Telecommunications Act* provides the authority for the CRTC to require this information. The Saskatchewan Department of Energy and Mines requires this information pursuant to the Saskatchewan *Mineral Resources Act* and only data from business establishments located in Saskatchewan will be shared with it.

### 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 for 2009 and April 1, 2010 - March 31, 2011 for 2010.

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

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

The following are acceptable report periods for **2010**:

May	2009	-	April	2010	(04/10)
June	2009	-	May	2010	(05/10)
July	2009	-	June	2010	(06/10)
Aug.	2009	-	July	2010	(07/10)
Sept.	2009	-	Aug.	2010	(08/10)
Oct.	2009	-	Sept.	2010	(09/10)
Nov.	2009	-	Oct.	2010	(10/10)
Dec.	2009	-	Nov.	2010	(11/10)
Jan.	2010	-	Dec.	2010	(12/10)
Feb.	2010	-	Jan.	2011	(01/11)
March	2010	-	Feb.	2011	(02/11)
April	2010	-	March	2011	(03/11)

Detach along perforated edge

## 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, additions 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

## Sections B and D: Capital Expenditures

Report the value of the projects expected to be put in place during the year. **Include** the **gross expenditures** (*including subsidies*) on fixed assets for use in the operations of your organization or for lease or rent to others. **Include** all capital costs such as feasibility studies, architectural, legal, installation and engineering fees as well as work done by your own labour force.

**New Assets, Renovation, Retrofit (Column 1), includes** both existing assets being upgraded and additions of new assets

The following explanations are NOT applicable to government departments:

- **include** - Capitalized interest charges on loans with which capital projects are financed
- **exclude** - If you are capitalizing your leased fixed assets as a lessee in accordance with the Canadian Institute of Chartered Accountants' recommendations, please **exclude** the total of the capitalization of such leases during the year from capital expenditures

### Leases

In accordance with the recommendations of the Canadian Institute of Chartered Accountants, leases are divided into two types, operating and capital. **For the present, purchases of all capital assets whether for own use or for lease to others, either as a capital lease or as an operating lease should be reported in the appropriate place in Columns 1 or 2 Sections B and D. Assets acquired as a lessee through either a capital lease or operating lease from others should not be reported in these columns.**

New assets acquired by means of a capital lease **from others** should **not** be **included** in Section B and D Columns 1 or 2.

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

- 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 their 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

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

**Definition:** Used fixed assets may be defined as existing buildings, structures or machinery and equipment which have been previously used by another organization in Canada that you have acquired during the time period being reported on this questionnaire.

**Explanation:** The objective of our survey is to measure gross annual new acquisitions to fixed assets separately from the acquisition of gross annual used fixed assets in the Canadian economy as a whole.

Hence, the acquisition of a used **fixed Canadian asset** should be reported separately since such acquisitions would not change the aggregates of our domestic inventory of fixed assets, it would simply mean a transfer of assets within Canada from one organization to another.

**Imports of used assets**, on the other hand, should be **included** with the new assets (*Column 1*) because they are newly acquired for the Canadian economy.

### 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.

## Definitions

### Land (Row 1)

Capital expenditures for land should **include** all costs associated with the purchase of the land that are not amortized or depreciated.

### Residential Construction (Row 2)

Report the value of residential structures **including** the housing portion of multi-purpose projects and of townsites with the following EXCEPTIONS:

- buildings that have accommodation units without self-contained or exclusive use of bathroom and kitchen facilities (e.g., some student and senior citizen residences)
- the non-residential portion of multi-purpose projects and of townsites
- associated expenditures on services

The exceptions should be **included** in the appropriate construction (e.g., non-residential) asset.

### Non-Residential Construction (Row 3) (excluding land purchase and residential construction)

Report the total cost incurred during the year of building and engineering construction (contract and by own employees) whether for your own use or rent to others. **Include** also:

- the cost of demolition of buildings, land servicing and of site-preparation
- leasehold and land improvements
- townsite facilities, such as streets, sewers, stores, schools
- oil or gas pipelines, **including** pipe and installation costs
- all preconstruction planning and design costs such as engineering and consulting fees and any materials supplied to construction contractors for installation

### Machinery and Equipment (Row 4)

Report total cost incurred during the year of all new machinery, whether for your own use or for lease or rent to others. Any capitalized tooling should also be included. **Include** progress payments paid out before delivery in the year in which such payments are made. Receipts from the sale of your own fixed assets or allowance for scrap or trade-in should not be deducted from your total capital expenditures. Any balance owing or holdbacks should be reported in the year the cost is incurred.

#### Include:

- automobiles, trucks, professional and scientific equipment, office and store furniture and appliances
- computers (hardware and software), broadcasting, telecommunication and other information and communication technology 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

## Section C: Capacity Utilization (Manufacturing Companies only)

Capacity use (*utilization*) is calculated by taking the actual production level for an establishment (*production can be measured in dollars or units*) and dividing it by the establishment's capacity production level.

Capacity production is defined as maximum production attainable under normal conditions.

To calculate capacity production, follow the establishment's operating 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 use for plant "A" is  $(125/150) * 100 = 83\%$ .

Now suppose that Plant "A" had to open for 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 use would be  $(160/150) * 100 = 107\%$ .