

COMPETITIVE ALTERNATIVES 2014 COST MODEL
DETAILED COMPARISON REPORT

INDUSTRY: MANUFACTURING AVERAGE
OPERATION: Average of 12 operations
(USD\$'000)

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City	Edmonton	Toronto	Vancouve	Baton Ro	Denver	Houston	New Orle
Region	AB	ON	BC	LA	CO	TX	LA
Country	CA	CA	CA	US	US	US	US
Exchange rate per USD\$	C\$1.050	C\$1.050	C\$1.050	\$1.000	\$1.000	\$1.000	\$1.000

Initial Investment

Cash	340	340	340	340	340	340	340
Inventory	4,417	4,417	4,417	4,417	4,417	4,417	4,417
Fixed assets	16,391	16,391	16,391	16,391	16,391	16,391	16,391
	\$21,148	\$21,148	\$21,148	\$21,148	\$21,148	\$21,148	\$21,148

Initial Financing

Debt	10,294	10,294	10,294	10,294	10,294	10,294	10,294
Equity	10,854	10,854	10,854	10,854	10,854	10,854	10,854
	\$21,148	\$21,148	\$21,148	\$21,148	\$21,148	\$21,148	\$21,148

10-Year Average Profit & Loss

	Edmonton	Toronto	Vancouve	Baton Ro	Denver	Houston	New Orle
Sales	34,840	34,840	34,840	34,840	34,840	34,840	34,840
Location-sensitive costs							
Salary and wages	5,466	5,497	5,563	5,043	5,357	5,341	5,289
Statutory plans	365	513	373	477	507	522	500
Other benefits	1,489	1,552	1,479	1,912	2,012	2,025	2,005
Total labor	7,319	7,562	7,415	7,431	7,876	7,888	7,793
Rank, total labor	1	4	2	3	6	7	5
Facility lease	544	400	580	358	285	334	400
Rank, facility lease	6	5	7	3	1	2	4
Surface freight	2,357	1,843	2,194	1,866	2,547	1,920	1,607
Air freight	566	452	561	517	534	471	517
Total transportation	2,924	2,294	2,755	2,383	3,081	2,391	2,124
Rank, transportation	6	2	5	3	7	4	1
Electricity	358	347	212	138	167	157	204
Gas	64	77	97	53	85	54	53

<i>Total utilities</i>	422	424	309	191	252	211	257
<i>Rank, electricity</i>	7	6	5	1	3	2	4
<i>Rank, gas</i>	4	5	7	1	6	3	1
<i>Total operating costs</i>	11,208	10,680	11,059	10,363	11,495	10,823	10,573
<i>Rank, operating costs</i>	6	3	5	1	7	4	2
	Edmonton	Toronto	Vancouve	Baton Ro	Denver	Houston	New Orle
Interest	342	325	348	363	392	381	365
Depreciation	1,972	1,972	1,972	1,972	1,972	1,972	1,972
<i>Total interest, depreciation</i>	2,314	2,296	2,320	2,334	2,363	2,353	2,337
Income tax, national	329	422	351	1,273	695	903	1,208
Income tax, regional	219	306	256	-90	103	10	-95
Income tax, local	-	-	-	-	-	-	-
Capital tax, national	-	-	-	-	-	-	-
Capital tax, regional	-	-	-	4	-	-	4
Sales tax	-	-	110	113	80	104	112
Property tax	229	304	309	81	501	535	89
Gross receipts tax	-	-	-	18	18	18	18
Business tax	-	-	-	-	-	-	-
Grants, subsidies	-	-	-	-157	-	-	-165
<i>Total taxes (net of grants)</i>	777	1,032	1,026	1,242	1,396	1,569	1,171
<i>Total location-sensitive costs</i>	14,299	14,008	14,405	13,939	15,254	14,745	14,081
Location-insensitive costs							
Materials	15,457	15,457	15,457	15,457	15,457	15,457	15,457
Other operating expenses	1,999	1,999	1,999	1,999	1,999	1,999	1,999
<i>Total location-insensitive costs</i>	17,456	17,456	17,456	17,456	17,456	17,456	17,456
<i>Total costs</i>	31,755	31,465	31,861	31,395	32,711	32,201	31,537
<i>Net profit after tax</i>	\$3,084	\$3,375	\$2,979	\$3,444	\$2,129	\$2,639	\$3,302
<i>% of sales</i>	8.9%	9.7%	8.6%	9.9%	6.1%	7.6%	9.5%
Overall rank	4	2	5	1	7	6	3
Overall index	97.3	96.4	97.6	96.2	100.2	98.7	96.6

Summary Measures

	Edmonton	Toronto	Vancouve	Baton Ro	Denver	Houston	New Orle
Net profit before income tax	\$3,633	\$4,103	\$3,586	\$4,471	\$2,926	\$3,552	\$4,251
Effective income tax rate	15.1%	17.7%	16.9%	23.0%	27.2%	25.7%	22.3%
<i>Rank</i>	1	3	2	5	7	6	4
Property-based taxes per sq.ft.	\$3.18	\$4.03	\$4.10	\$1.17	\$7.10	\$7.61	\$1.28
<i>Rank</i>	3	4	5	1	6	7	2

*Effective tax rates are not shown where results are not meaningful due to marginal profitability.
Effective tax rates may be negative due to refundable tax credits exceeding taxes paid.*

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The analysis on this website is based on cost information collected primarily between July 2013 and January 2014. Taxes reflect tax rates in effect on January 1, 2014, and also incorporate any announced changes at that time to take effect at specified later dates. Exchange rates and other cost factors will, of course, change over time. Tax rates and other tax-related information are also subject to change as a result of new legislation, judicial decisions, and administrative pronouncements.

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