

COMPETITIVE ALTERNATIVES 2014 COST MODEL DETAILED COMPARISON REPORT

INDUSTRY: PROFESSIONAL SERVICES

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AMOPERATION: International Financial Services
(USD\$'000)

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	250	250	250	250	250	250	250
Inventory	-	-	-	-	-	-	-
Fixed assets	500	500	500	500	500	500	500
	\$750	\$750	\$750	\$750	\$750	\$750	\$750

Initial Financing

Debt	-	-	-	-	-	-	-
Equity	750	750	750	750	750	750	750
	\$750	\$750	\$750	\$750	\$750	\$750	\$750

10-Year Average Profit & Loss

	Edmonton	Toronto	Vancouve	Baton Ro	Denver	Houston	New Orle
Sales	11,238	11,437	11,321	11,620	12,102	12,526	11,749
Location-sensitive costs							
Salary and wages	4,631	4,643	4,557	4,699	4,974	5,083	4,832
Statutory plans	181	276	176	369	386	394	377
Other benefits	1,141	1,187	1,097	1,319	1,384	1,427	1,356
Total labor	5,953	6,106	5,830	6,385	6,744	6,903	6,565
Rank, total labor	2	3	1	4	6	7	5
Facility lease	627	647	720	311	407	595	242
Rank, facility lease	5	6	7	2	3	4	1
Surface freight	-	-	-	-	-	-	-
Air freight	-	-	-	-	-	-	-
Total transportation	-	-	-	-	-	-	-

<i>Rank, transportation</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>
Electricity	29	29	20	20	22	19	21
Gas	-	-	-	-	-	-	-
<i>Total utilities</i>	<i>29</i>	<i>29</i>	<i>20</i>	<i>20</i>	<i>22</i>	<i>18</i>	<i>20</i>
<i>Rank, electricity</i>	<i>6</i>	<i>6</i>	<i>2</i>	<i>2</i>	<i>5</i>	<i>1</i>	<i>4</i>
<i>Rank, gas</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>
<i>Total operating costs</i>	<i>6,609</i>	<i>6,782</i>	<i>6,570</i>	<i>6,716</i>	<i>7,173</i>	<i>7,516</i>	<i>6,827</i>
<i>Rank, operating costs</i>	<i>2</i>	<i>4</i>	<i>1</i>	<i>3</i>	<i>6</i>	<i>7</i>	<i>5</i>
	Edmonton	Toronto	Vancouve	Baton Ro	Denver	Houston	New Orle
Interest	-66	-66	-72	-19	-20	-21	-19
Depreciation	84	84	84	84	84	84	84
<i>Total interest, depreciation</i>	<i>18</i>	<i>18</i>	<i>12</i>	<i>65</i>	<i>64</i>	<i>63</i>	<i>65</i>
Income tax, national	251	255	253	572	602	634	579
Income tax, regional	167	196	46	97	83	56	98
Income tax, local	-	-	-	-	-	-	-
Capital tax, national	-	-	-	-	-	-	-
Capital tax, regional	-	-	-	16	-	-	16
Sales tax	-	-	121	156	121	137	153
Property tax	3	-	-	6	9	10	6
Gross receipts tax	-	-	-	-	-	-	-
Business tax	-	-	-	-	-	-	-
Grants, subsidies	-	-	-	-	-	-	-
<i>Total taxes (net of grants)</i>	<i>421</i>	<i>451</i>	<i>420</i>	<i>847</i>	<i>815</i>	<i>837</i>	<i>851</i>
<i>Total location-sensitive costs</i>	<i>7,048</i>	<i>7,251</i>	<i>7,002</i>	<i>7,628</i>	<i>8,052</i>	<i>8,416</i>	<i>7,743</i>
Location-insensitive costs							
Materials	-	-	-	-	-	-	-
Other operating expenses	2,925	2,925	2,925	2,925	2,925	2,925	2,925
<i>Total location-insensitive costs</i>	<i>2,925</i>	<i>2,925</i>	<i>2,925</i>	<i>2,925</i>	<i>2,925</i>	<i>2,925</i>	<i>2,925</i>
<i>Total costs</i>	<i>9,973</i>	<i>10,176</i>	<i>9,927</i>	<i>10,553</i>	<i>10,977</i>	<i>11,341</i>	<i>10,668</i>
<i>Net profit after tax</i>	<i>\$1,265</i>	<i>\$1,261</i>	<i>\$1,394</i>	<i>\$1,067</i>	<i>\$1,125</i>	<i>\$1,185</i>	<i>\$1,081</i>
<i>% of sales</i>	<i>11.3%</i>	<i>11.0%</i>	<i>12.3%</i>	<i>9.2%</i>	<i>9.3%</i>	<i>9.5%</i>	<i>9.2%</i>
Overall rank	2	3	1	4	6	7	5
Overall index	83.0	84.7	82.6	87.8	91.4	94.4	88.8

Summary Measures

	Edmonton	Toronto	Vancouve	Baton Ro	Denver	Houston	New Orle
Net profit before income tax	\$1,683	\$1,712	\$1,693	\$1,736	\$1,810	\$1,875	\$1,757
Effective income tax rate	24.8%	26.3%	17.7%	38.5%	37.8%	36.8%	38.5%
Rank	2	3	1	6	5	4	6
Property-based taxes per sq.ft.	\$0.20	-	-	\$0.41	\$0.62	\$0.70	\$0.44
Rank	3	1	1	4	6	7	5

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.

Property taxes levied on landlords and passed on through office lease payments are included in office lease costs, and not shown separately as property taxes.

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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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