

COMPETITIVE ALTERNATIVES 2012 COST MODEL DETAILED COMPARISON REPORT

INDUSTRY: METAL COMPONENTS

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AMOPERATION: Metal Machining
(USD\$'000)

City	Calgary	Edmonton	Red Deer
Region	AB	AB	AB
Country	CA	CA	CA

Exchange rate per USD\$	C\$1.020	C\$1.020	C\$1.020
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Initial Investment

Cash	250	250	250
Inventory	2,700	2,700	2,700
Fixed assets	20,000	20,000	20,000
	\$22,950	\$22,950	\$22,950

Initial Financing

Debt	11,475	11,475	11,475
Equity	11,475	11,475	11,475
	\$22,950	\$22,950	\$22,950

10-Year Average Profit & Loss

	Calgary	Edmonton	Red Deer
Sales	26,675	26,675	26,675

Location-sensitive costs

Salary and wages	5,318	5,182	5,033
Statutory plans	420	416	407
Other benefits	1,449	1,412	1,371
Total labor	7,187	7,010	6,811

Rank, total labor	3	2	1
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Facility lease	613	588	833
Rank, facility lease	2	1	3

Surface freight	3,974	4,053	4,152
Air freight	-	-	-
Total transportation	3,974	4,053	4,152

Rank, transportation	1	2	3
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Electricity	313	345	337
Gas	61	57	57
Total utilities	374	402	394

<i>Rank, electricity</i>	<i>1</i>	<i>3</i>	<i>2</i>
<i>Rank, gas</i>	<i>3</i>	<i>1</i>	<i>1</i>
<i>Total operating costs</i>	12,148	12,053	12,190
<i>Rank, operating costs</i>	<i>2</i>	<i>1</i>	<i>3</i>
	Calgary	Edmonton	Red Deer
Interest	528	513	523
Depreciation	1,687	1,687	1,687
<i>Total interest, depreciation</i>	2,215	2,200	2,210
Income tax, national	82	124	96
Income tax, regional	55	82	64
Income tax, local	-	-	-
Capital tax, national	-	-	-
Capital tax, regional	-	-	-
Sales tax	-	-	-
Property tax	217	158	197
Gross receipts tax	-	-	-
Business tax	109	-	-
Grants, subsidies	-	-	-
<i>Total taxes (net of grants)</i>	463	364	357
<i>Total location-sensitive costs</i>	14,826	14,617	14,757
Location-insensitive costs			
Materials	9,470	9,470	9,470
Other operating expenses	800	800	800
<i>Total location-insensitive costs</i>	10,270	10,270	10,270
<i>Total costs</i>	25,096	24,887	25,027
<i>Net profit after tax</i>	\$1,579	\$1,790	\$1,648
<i>% of sales</i>	5.9%	6.7%	6.2%
Overall rank	3	1	2
Overall index	100.6	99.7	100.3

Summary Measures

	Calgary	Edmonton	Red Deer
Net profit before income tax	\$1,716	\$1,996	\$1,808
Effective income tax rate	8.0%	10.3%	8.8%
<i>Rank</i>	<i>1</i>	<i>3</i>	<i>2</i>
Property-based taxes per sq.ft.	\$3.26	\$1.58	\$1.97
<i>Rank</i>	<i>3</i>	<i>1</i>	<i>2</i>

*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 2011 and January 2012. Taxes reflect tax rates in effect on January 1, 2012, 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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