

COMPETITIVE ALTERNATIVES 2016 COST MODEL DETAILED COMPARISON REPORT

INDUSTRY: OVERALL RESULT

RUN DATE: 9/12/2017 1:46:43 PM

OPERATION: Average of services and manufacturing sectors
(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\$1.340	C\$1.340	C\$1.340	\$1.000	\$1.000	\$1.000	\$1.000

Initial Investment

Cash	313	313	313	313	313	313	313
Inventory	2,208	2,208	2,208	2,208	2,208	2,208	2,208
Land	436	745	1,237	245	327	277	394
Buildings	1,707	1,778	1,739	1,433	1,857	1,466	1,466
Machinery & equipment	9,499	9,499	9,499	9,499	9,499	9,499	9,499
	\$14,163	\$14,543	\$14,996	\$13,698	\$14,204	\$13,763	\$13,880
Rank, total investment	4	6	7	1	5	2	3

Initial Financing

Debt	6,292	6,476	6,696	6,074	6,316	6,104	6,161
Equity	7,871	8,068	8,301	7,624	7,888	7,659	7,719
	\$14,163	\$14,543	\$14,996	\$13,698	\$14,204	\$13,763	\$13,880

10-Year Average Profit & Loss

	Edmonton	Toronto	Vancouve	Baton Ro	Denver	Houston	New Orle
Sales	24,552	24,558	24,562	25,006	25,269	25,418	25,035

Location-sensitive costs

Salary and wages	5,065	5,021	4,999	5,834	6,279	6,338	5,985
Statutory plans	271	389	270	505	547	551	519
Other benefits	1,281	1,243	1,247	1,879	1,925	2,037	1,930
Total labor	6,618	6,653	6,517	8,219	8,751	8,927	8,434

Rank, total labor	2	3	1	4	6	7	5
-------------------	---	---	---	---	---	---	---

Facility lease	403	349	426	347	421	521	325
Rank, facility lease	4	3	6	2	5	7	1

Surface freight	855	664	793	855	1,205	884	732
Air freight	176	139	174	196	187	171	196
Total transportation	1,031	802	967	1,050	1,392	1,055	928
Rank, transportation	4	1	3	5	7	6	2

Electricity	166	191	114	93	116	118	111
Gas	24	35	30	25	45	25	25
Total utilities	190	226	144	117	161	143	135

Rank, electricity	6	7	3	1	4	5	2
Rank, gas	1	6	5	2	7	2	2

<i>Total operating costs</i>	8,242	8,031	8,054	9,734	10,725	10,645	9,821
<i>Rank, operating costs</i>	3	1	2	4	7	6	5
	Edmonton	Toronto	Vancouve	Baton Ro	Denver	Houston	New Orle
Interest	162	165	179	227	263	247	233
Depreciation	1,322	1,325	1,323	1,308	1,329	1,310	1,310
<i>Total interest, depreciation</i>	1,484	1,491	1,503	1,535	1,593	1,557	1,542
Income tax, national	552	601	578	1,218	772	854	1,195
Income tax, regional	455	347	407	-274	119	20	-283
Income tax, local	-	-	-	-	-	-	-
Capital tax, national	-	-	-	-	-	-	-
Capital tax, regional	-	-	-	20	-	-	20
Sales tax	-	0	104	122	88	109	121
Property tax	107	166	152	55	348	347	75
Gross receipts tax	-	-	-	8	8	8	8
Business tax	-	-	-	-	3	-	-
Grants, subsidies	-	-	-	-67	-105	-41	-69
<i>Total taxes (net of grants)</i>	1,114	1,115	1,240	1,083	1,234	1,297	1,067
<i>Total location-sensitive costs</i>	10,839	10,636	10,797	12,352	13,552	13,498	12,430
Location-insensitive costs							
Materials	7,841	7,841	7,841	7,841	7,841	7,841	7,841
Other operating expenses	1,919	1,919	1,919	1,919	1,919	1,919	1,919
<i>Total location-insensitive costs</i>	9,760	9,760	9,760	9,760	9,760	9,760	9,760
<i>Total costs</i>	20,599	20,396	20,557	22,112	23,312	23,259	22,190
<i>Net profit after tax</i>	\$3,953	\$4,161	\$4,005	\$2,894	\$1,957	\$2,159	\$2,846
<i>% of sales</i>	16.1%	16.9%	16.3%	11.6%	7.7%	8.5%	11.4%
Overall rank	3	1	2	4	7	6	5
Overall index	86.4	85.6	86.2	92.8	97.8	97.6	93.1

Summary Measures

	Edmonton	Toronto	Vancouve	Baton Ro	Denver	Houston	New Orle
Net profit before income tax	\$4,960	\$5,109	\$4,989	\$3,771	\$2,743	\$2,992	\$3,689
Effective income tax rate	20.3%	18.6%	19.7%	23.3%	28.7%	27.8%	22.9%
<i>Rank</i>	3	1	2	5	7	6	4
Property-based taxes per sq.ft.	\$2.14	\$3.64	\$3.46	\$1.14	\$6.59	\$6.89	\$1.73
<i>Rank</i>	3	5	4	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.

[Operating specifications](#)
[Close report window](#)
[Legal](#) | [Privacy](#)

The analysis on this website is based on cost information collected primarily between July 2015 and January 2016. Taxes reflect tax rates in effect on January 1, 2016, 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.

All information provided is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

© 2016 KPMG LLP, a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved. KPMG International Cooperative ("KPMG International") is a Swiss entity. Member firms of the KPMG network of independent firms are affiliated with KPMG International. KPMG International provides no client services. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm.