
CANADIAN WOOD PALLET AND CONTAINER ASSOCIATION
ASSOCIATION CANADIENNE DES MANUFACTURIERS DE PALETTES ET CONTENANTS

FINANCIAL STATEMENTS

DECEMBER 31, 2006

CANADIAN WOOD PALLET AND CONTAINER ASSOCIATION
ASSOCIATION CANADIENNE DES MANUFACTURIERS DE PALETTES ET CONTENANTS

DECEMBER 31, 2006

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AUDITOR'S REPORT

To the Members of Canadian Wood Pallet and Container Association

I have audited the statement of financial position of Canadian Wood Pallet and Container Association as at December 31, 2006 and the statement of operations for the year then ended. These financial statements are the responsibility of the company's management. My responsibility is to express an opinion on these financial statements based on my audit.

Except as explained in the following paragraph, I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

As is the case with many not-for-profit organizations, the Association derives sundry revenues from various activities which are not susceptible to complete audit verification. Accordingly, my verification procedures consisted of the comparison of the amounts recorded in the accounts to the amounts deposited to the bank, and we were not able to determine whether any adjustments might be necessary to these sundry revenues.

In my opinion, except for the effect of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself concerning the completeness of sundry revenue referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2006 and the results of its activities for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Corporations Act, I report that in my opinion, these principles have been applied on a basis consistent with the prior year.



Michael Argue Chartered Accountant
Licensed Public Accountant

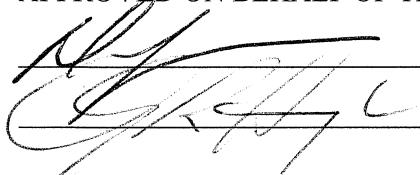
North York, Ontario
March 30, 2007

CANADIAN WOOD PALLET AND CONTAINER ASSOCIATION
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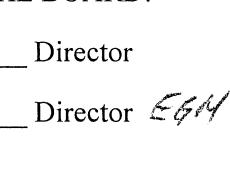
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2006

	2006	2005
ASSETS		
Cash	\$ 209,546	\$ 11,552
Term deposits	56,515	57,210
Accounts Receivable	58,094	17,389
GST Tax Recoverable	3,737	2,164
Prepaid Expenses and Sundry Assets	102,992	63,291
Capital Assets (Note 3)	8,620	3,396
	<hr/> \$ 439,504	<hr/> \$ 155,002
LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 76,411	\$ 10,639
Deferred Revenue (Note 4)	96,102	-
	<hr/> 172,513	<hr/> 10,639
NET ASSETS		
Net Assets, Beginning of year	144,363	116,620
Net Earnings (Loss)	122,628	27,742
	<hr/> 266,991	<hr/> 144,363
	<hr/> \$ 439,504	<hr/> \$ 155,002

APPROVED ON BEHALF OF THE BOARD:



Director



Director *EGM*

CANADIAN WOOD PALLET AND CONTAINER ASSOCIATION
ASSOCIATION CANADIENNE DES MANUFACTURIERS DE PALETTES ET CONTENANTS

STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2006

	Budget	2006	2005
MEMBERSHIP FEES	\$ 144,000	\$ 144,662	\$ 145,829
EXPENSES			
Directors' meetings and travel	10,000	10,358	10,241
Management fees	126,000	101,536	98,555
Office	30,000	26,315	24,806
Postage and handling	9,000	11,766	12,935
Printing and reproduction	15,000	11,750	12,821
Amortization of tangible assets	-	1,421	1,283
Professional fees	6,000	7,300	5,000
Program expenses - CWPCP	-	-	8,761
Rent	12,000	7,531	9,600
Telephone	7,000	7,296	7,689
Vehicle expenses	5,000	-	-
	220,000	185,273	191,691
EARNINGS (LOSS) FROM MEMBERSHIP ACTIVITIES			
MEETINGS AND ACTIVITIES (Page 4)	(76,000)	(40,611)	(45,862)
SUNDRY ACTIVITIES (Page 5)	52,000	41,957	31,482
INSPECTION DIVISION (Page 6)	55,600	60,687	40,638
	-	58,970	-
EARNINGS (LOSS) BEFORE INTEREST INCOME			
INTEREST INCOME	31,600	121,003	26,258
	1,000	1,625	1,484
NET EARNINGS (LOSS)	32,600	122,628	27,742

CANADIAN WOOD PALLET AND CONTAINER ASSOCIATION
ASSOCIATION CANADIENNE DES MANUFACTURIERS DE PALETTES ET CONTENANTS

SCHEDULE OF MEETINGS AND ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006

	2006	2005
ANNUAL MEETING		
Registration	\$ 18,937	\$ 216,134
Expenses	(23,289)	(215,740)
	(4,352)	394
REGIONAL MEETINGS		
Registration	25,770	28,142
Expenses	(13,579)	(26,009)
	12,191	2,133
PALLET TOUR		
Registration	44,840	-
Expenses	(31,849)	-
	12,991	-
SAFETY GROUP		
Registration	24,510	32,416
Expenses	(8,250)	(7,354)
	16,260	25,062
SCRAMBLE GOLF TOURNAMENT		
Registration	12,300	10,950
Expenses	(7,433)	(7,057)
	4,867	3,893
	\$ 41,957	\$ 31,482

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SCHEDULE OF SUNDRY ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006

	2006	2005
SUNDRY REVENUES		
Advertising	\$ 51,505	\$ 42,805
ISO 9002	-	1,500
Promotional Items	2,000	-
Pallet Enterprise Subscriptions	1,750	2,035
Safety Manuals	9,455	200
Sundry Items	8,864	-
Paldraw Sales	4,075	2,130
	<hr/> 77,649	<hr/> 48,670
SUNDRY EXPENSES		
Advertising	3,001	3,518
Promotional Items	3,374	-
Sundry Items	-	2,684
Safety Manuals	7,232	-
Paldraw Expense	3,355	1,830
	<hr/> 16,962	<hr/> 8,032
	<hr/> \$ 60,687	<hr/> \$ 40,638

CANADIAN WOOD PALLET AND CONTAINER ASSOCIATION
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SCHEDULE OF INSPECTION DIVISION
FOR THE YEAR ENDED DECEMBER 31, 2006

	2006	2005
REVENUE	\$ 336,800	\$ -
COST OF REVENUE	183,600	-
	153,200	-
EXPENSES		
Advertising and Promotion	12,537	-
Amortization	450	-
Insurance	11,480	-
Office Wages	17,634	-
Office Expenses	10,122	-
Management Fees	28,783	-
Professional Fees	6,756	-
Rent and Utilities	2,681	-
Telephone and Communications	1,567	-
Travel and Meeting Expenses	2,220	-
	94,230	-
	\$ 58,970	\$ -

CANADIAN WOOD PALLET AND CONTAINER ASSOCIATION
ASSOCIATION CANADIENNE DES MANUFACTURIERS DE PALETTES ET CONTENANTS

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006

1. PURPOSE OF THE ORGANIZATION

The purpose of the Canadian Wood Pallet and Container Association (the "Association") is to promote the general welfare of the wooden pallet and packaging industry by providing newsletters to members and organizing events, activities and workplace programs for members. Under the Income Tax Act for Canada, the Association qualifies as a not-for-profit organization and is exempt from income tax.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Financial Instruments

The financial instruments are comprised of cash, accounts receivable, prepaid expenses, accounts payable and deferred revenue. None of these financial instruments possess inherent risks not normally found in this industry.

The Association does have cash holdings denominated in U.S dollars that are subject to exchange rate fluctuations.

(b) Revenue Recognition

The organization follows the deferral method of accounting for contributions. Contributions are recognized as revenue of the fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. All other revenues and expenses are recorded on the accrual basis.

(c) Capital Assets

Capital assets are recorded at cost. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives as follows:

Computer equipment	- 30% diminishing balance
Office equipment	- 20% diminishing balance

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NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006

3. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2006	Net 2005
Computer equipment	\$ 15,936	\$ 10,498	\$ 5,438	\$ 2,765
Office equipment	12,438	9,256	3,182	631
	\$ 28,374	\$ 19,754	\$ 8,620	\$ 3,396

4. DEFERRED REVENUE

The deferred revenue represents fees charged in 2006 for the 2007 pallet tour.

5. STATEMENT OF CASH FLOWS

A statement of cash flows has not been presented as it would not provide any additional useful information.

6. BUDGET

The budgeted figures are presented for comparison purposes only and are unaudited.

7. COMPARATIVE FIGURES

Certain figures for 2005 have been reclassified to make their presentation identical to that adopted in 2006.