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

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**FINANCIAL STATEMENTS**

**DECEMBER 31, 2008**

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

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**DECEMBER 31, 2008**

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# Michael Argue Chartered Accountant

Professional Corporation

206 - 1210 Sheppard Avenue East  
North York, Ontario M2K 1E3  
Tel: 416-490-8544  
Fax: 416-490-8096  
[www.argueca.com](http://www.argueca.com)

## 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, 2008 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, 2008 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.



North York, Ontario  
March 25, 2009

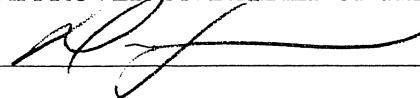
Michael Argue Chartered Accountant  
Licensed Public Accountant

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

**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2008**

|  | <b>2008</b>      | <b>2007</b>      |
|--|------------------|------------------|
| <b>ASSETS</b>                            |                  |                  |
| <b>Current</b>                           |                  |                  |
| Cash                                     | \$ 377,147       | \$ 239,485       |
| Term deposits                            | 212,906          | 118,728          |
| Accounts Receivable                      | 20,684           | 39,299           |
| GST Tax Recoverable                      | 1,010            | 24               |
| Prepaid Expenses and Sundry Assets       | 42,328           | 83,737           |
|  | <hr/> 654,075    | <hr/> 481,273    |
| Capital Assets (Note 3)                  | 6,362            | 7,504            |
|  | <hr/> \$ 660,437 | <hr/> \$ 488,777 |
| <b>LIABILITIES</b>                       |                  |                  |
| <b>Current</b>                           |                  |                  |
| Accounts Payable and Accrued Liabilities | \$ 47,379        | \$ 66,132        |
| <b>NET ASSETS</b>                        |                  |                  |
| Net Assets, Beginning of year            | 422,645          | 266,992          |
| Net Earnings                             | 190,413          | 155,652          |
|  | <hr/> 613,058    | <hr/> 422,645    |
|  | <hr/> \$ 660,437 | <hr/> \$ 488,777 |

APPROVED ON BEHALF OF THE BOARD:

 Director

 Director

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

**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

|  | <b>Budget</b> | <b>2008</b>    | <b>2007</b>    |
|--|---------------|----------------|----------------|
| <b>MEMBERSHIP FEES</b>                             | \$ 127,000    | \$ 139,981     | \$ 144,058     |
| <b>EXPENSES</b>                                    |               |                |                |
| Directors' meetings and travel                     | 12,500        | 13,837         | 12,857         |
| Management fees                                    | 82,000        | 101,160        | 96,723         |
| Office   | 35,500        | 24,599         | 28,955         |
| Postage and handling                               | 16,500        | 12,200         | 13,516         |
| Printing and reproduction                          | 19,000        | 10,000         | 10,646         |
| Amortization of tangible assets                    | -             | 1,201          | 1,485          |
| Professional fees                                  | 7,500         | 7,400          | 7,500          |
| Rent   | 6,000         | 5,421          | 5,343          |
| Telephone  | 6,000         | 3,701          | 7,584          |
|  | 185,000       | 179,519        | 184,609        |
| <b>EARNINGS ( LOSS) FROM MEMBERSHIP ACTIVITIES</b> |               |                |                |
| ACTIVITIES   | (58,000)      | (39,538)       | (40,551)       |
| MEETINGS AND ACTIVITIES (Page 4)                   | 16,000        | 9,776          | 17,861         |
| SUNDRY ACTIVITIES (Page 5)                         | 44,600        | 64,379         | 33,166         |
| INSPECTION DIVISION (Page 6)                       | -             | 152,065        | 142,592        |
| <b>EARNINGS (LOSS) BEFORE INTEREST</b>             |               |                |                |
| INCOME   | 2,600         | 186,682        | 153,068        |
| INTEREST INCOME                                    | 2,000         | 3,731          | 2,584          |
| <b>NET EARNINGS</b>                                | <b>4,600</b>  | <b>190,413</b> | <b>155,652</b> |

**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, 2008**

|                                 | <b>2008</b>     | <b>2007</b>      |
|---------------------------------|-----------------|------------------|
| <b>ANNUAL MEETING</b>           |                 |                  |
| Registration                    | \$ 13,380       | \$ 49,389        |
| Expenses                        | <u>(27,239)</u> | <u>(54,485)</u>  |
|                                 | (13,859)        | (5,096)          |
| <b>REGIONAL MEETINGS</b>        |                 |                  |
| Registration                    | 24,028          | 15,434           |
| Expenses                        | <u>(11,004)</u> | <u>(8,101)</u>   |
|                                 | 13,024          | 7,333            |
| <b>PALLET TOUR</b>              |                 |                  |
| Registration                    | -               | 162,102          |
| Expenses                        | <u>-</u>        | <u>(162,456)</u> |
|                                 | -               | (354)            |
| <b>SAFETY GROUP</b>             |                 |                  |
| Registration                    | 16,659          | 18,684           |
| Expenses                        | <u>(8,200)</u>  | <u>(7,320)</u>   |
|                                 | 8,459           | 11,364           |
| <b>SCRAMBLE GOLF TOURNAMENT</b> |                 |                  |
| Registration                    | 11,425          | 14,187           |
| Expenses                        | <u>(9,273)</u>  | <u>(9,573)</u>   |
|                                 | 2,152           | 4,614            |
|                                 | <hr/>           | <hr/>            |
|                                 | \$ 9,776        | \$ 17,861        |

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

**SCHEDULE OF SUNDAY ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

|                                 | <b>2008</b>        | <b>2007</b>        |
|---------------------------------|--------------------|--------------------|
| <b>SUNDAY REVENUES</b>          |                    |                    |
| Advertising                     | \$ 45,580          | \$ 45,151          |
| Promotional Items               | 310                | 105                |
| Pallet Enterprise Subscriptions | 1,764              | 1,596              |
| Foreign Exchange Gain           | 18,316             | -                  |
| Paldraw Sales                   | 4,145              | 3,355              |
|                                 | <hr/> 70,115       | <hr/> 50,207       |
| <b>SUNDAY EXPENSES</b>          |                    |                    |
| Advertising                     | 2,501              | 3,413              |
| Foreign Exchange Loss           | -                  | 12,328             |
| Paldraw Expense                 | 3,235              | 1,300              |
|                                 | <hr/> 5,736        | <hr/> 17,041       |
|                                 | <hr/><br>\$ 64,379 | <hr/><br>\$ 33,166 |

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

**SCHEDULE OF INSPECTION DIVISION**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

|                              | <b>2008</b>       | <b>2007</b>       |
|------------------------------|-------------------|-------------------|
| <b>REVENUE</b>               | \$ 735,169        | \$ 708,686        |
| <b>COST OF REVENUE</b>       | 412,800           | 398,000           |
|                              | 322,369           | 310,686           |
| <b>EXPENSES</b>              |                   |                   |
| Advertising and Promotion    | 459               | 157               |
| Amortization                 | 810               | 911               |
| Insurance                    | 5,859             | 10,148            |
| Office Wages                 | 53,472            | 49,288            |
| Office Expenses              | 13,617            | 20,224            |
| Management Fees              | 74,223            | 69,598            |
| Professional Fees            | 3,400             | 4,500             |
| Rent and Utilities           | 5,443             | 5,343             |
| Telephone and Communications | 3,709             | 463               |
| Travel and Meeting Expenses  | 9,312             | 7,462             |
| Paldraw Expense              | -                 | -                 |
|                              | 170,304           | 168,094           |
|                              | <b>\$ 152,065</b> | <b>\$ 142,592</b> |

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**CANADIAN WOOD PALLET AND CONTAINER ASSOCIATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2008**

**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 association's financial instruments consist of cash, term deposits, accounts receivable, prepaid and sundry, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the association is not exposed to significant interest, currency or credit risks arising from these financial instruments.

**(b) Foreign Currency Translation**

Accounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities have been translated at the year end exchange rate. Non-monetary assets have been translated at the rate of exchange prevailing at the date of transaction. Revenue and expenses have been translated at the average rates of exchange during the year.

Foreign exchange gains and losses on monetary assets and liabilities are included in the determination of earnings.

**(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 |

**(d) 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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2008**

**3. CAPITAL ASSETS**

|                    | <b>Cost</b> | <b>Accumulated<br/>Amortization</b> | <b>Net<br/>2008</b> | <b>Net<br/>2007</b> |
|--------------------|-------------|-------------------------------------|---------------------|---------------------|
| Computer equipment | \$ 16,806   | \$ 13,402                           | \$ 3,404            | \$ 3,807            |
| Office equipment   | 13,718      | 10,760                              | 2,958               | 3,697               |
|                    | <hr/>       | <hr/>                               | <hr/>               | <hr/>               |
|                    | \$ 30,524   | \$ 24,162                           | \$ 6,362            | \$ 7,504            |

**4. STATEMENT OF CASH FLOWS**

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

**5. BUDGET**

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

**6. COMPARATIVE FIGURES**

Certain figures for 2007 have been reclassified to make their presentation identical to that adopted in 2008.