

RAY W. MACKENZIE

Chartered Accountant

30 Shandara Crescent, Scarborough, Ontario M1R 1E9 Tel. (416) 755-3944

Auditor's Report

To the Members of
Canadian Welding Association
MISSISSAUGA, Ontario

I have audited the balance sheet of Canadian Welding Association as at June 30, 2006 and the statement of revenue and expenditures for the year then ended. These financial statements are the responsibility of the association's management. My responsibility is to express an opinion on these financial statements based on my audit.

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.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the association as at June 30, 2006 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.



Ray W. MacKenzie
Chartered Accountant

Scarborough, Ontario
August 28, 2006

CANADIAN WELDING ASSOCIATION

BALANCE SHEET

AS AT JUNE 30, 2006

ASSETS

	<u>2006</u>	<u>2005</u>
	\$	\$
Current Assets		
Petty cash	20	20
Bank	10,914	5,126
Accounts receivable	0	309
G.S.T. receivable	<u>4,454</u>	<u>4,187</u>
TOTAL ASSETS	<u>15,388</u>	<u>9,642</u>

LIABILITIES

Current Liabilities		
Accounts payable	<u>23,196</u>	<u>11,559</u>

MEMBERS' EQUITY (DEFICIT)

Balance - beginning of year	(1,917)	(11,719)
Excess (Deficiency) of Revenue over expenditures	<u>(5,891)</u>	<u>9,802</u>
Balance - end of year	<u>(7,808)</u>	<u>(1,917)</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u>15,388</u>	<u>9,642</u>

CANADIAN WELDING ASSOCIATION
STATEMENT OF REVENUE AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2006

	<u>2006</u>	<u>2005</u>
	\$	\$
REVENUE		
Membership fees	66,509	70,998
Weld Expo Canada rebate	0	21,371
Symposium	0	3,751
Awards dinner/Welding seminar	1,346	3,920
Royalty fees	3,059	740
Job Opportunity - Website Posting	1,100	0
Miscellaneous	132	960
	<hr/>	<hr/>
	72,145	101,740
	<hr/>	<hr/>
EXPENDITURES		
Management fees	58,500	68,250
Audit and bookkeeping	1,000	1,000
Bank/Visa/MC charges	1,159	964
Delivery/mailings/postage/fax	2,495	3,190
Golf tournaments	343	346
Meetings	4,506	8,148
Membership expenses	0	750
Miscellaneous	381	452
Office	651	233
Printing and stationery	4,108	2,623
Symposium	0	1,457
Telephone	1,921	1,207
Web-site/Internet	2,972	3,318
	<hr/>	<hr/>
	78,036	91,938
	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(5,891)	9,802
	<hr/>	<hr/>

CANADIAN WELDING ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2006

1. OPERATIONS

Canadian Welding Association was created on September 1, 2001 when the Welding Products Manufacturers Association of Canada and the Canadian Welding Society Inc. merged. The association is incorporated using the Canadian Welding Society Inc. incorporation and is treated as a non-profit under the Income Tax Act.

The mission of the association is to provide a Canadian forum in which welding professionals and their employers, fabricators, welding-product manufacturers, resellers and distributors, and educators are able to exchange information, share knowledge resources and work with government and regulatory agencies and each other to advance the welding profession, its products and its practices.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The association uses a combination of cash and accrual basis of accounting. Revenues are recorded on the cash basis whereby they are reflected in the accounts in the period in which they are received. Expenditures are recorded on the accrual basis in the period in which they are incurred, whether or not they have been settled by the payment of money.

These financial statements do not include the revenues and expenses of the individual chapters which are separate entities.

3. THE MIKE CHERRY SCHOLARSHIP

The Guaranteed Investment Certificate for the Mike Cherry Scholarship in the amount of \$8,903. plus interest of \$191. was reinvested on November 15, 2005. These are restricted assets of Canadian Welding Association and, as such, are not shown on the balance sheet of the Association.

The payment of \$2,500. for the 2005 scholarship was paid by the Toronto Chapter. The fund is maintained by the proceeds of a golf tournament hosted by the Toronto Chapter.

