SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K/A

AMENDMENT NO. 1
CURRENT REPORT

Pursuant to Section 13 or Section 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 25, 1997

CECO ENVIROMENTAL CORPORATION

(Exact name of registrant an specified in charter)

New York	0-7099	13-2566064
(State or other jurisdiction of incorporation)	(Commission File No.)	(IRS Employer Identification No.)

505 University Avenue, Suite 1400, Toronto, Ontario, Canada	M5G lX3
(Address of principal executive offices)	(Zip Code)

(416) 593-6543

(Registrant's telephone number, including area code)

This Form 8-K/A amends the Form 8-K filed with the Securities and Exchange Commission ("Commission") on October 10, 1997, relating to the acquisition by CECO Filters, Inc. ("CECO"), a majority owned subsidiary of the Registrant, of substantially all the assets and the business of Busch Co., a Pennsylvania corporation, through a wholly-owned subsidiary of CECO. This Form 8-K/A contains the information referred to in Item 7 of the Form 8-K.

Item 7. Financial Statements and Exhibits.

(a) Financial Statements of Business Acquired.

BUSCH CO.
Pittsburgh, Pennsylvania

Report on Audit of Financial Statements

For the year ended December 31, 1996

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INDEPENDENT AUDITORS' REPORT

To the Stockholders
Busch Co.
Pittsburgh, Pennsylvania

We have audited the accompanying balance sheet of Busch Co. as of December 31, 1996 and the related statements of operations and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Busch Co. as of December 31, 1996 and the results of its operations and cash flows for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 3 to the financial statements, the Company is involved in negotiations to sell certain assets and interests of the Company which represent primarily all of the Company's operations.

Schneider Downs & Co., Inc.
Certified Public Accountants

Pittsburgh, Pennsylvania
July 3, 1997

BUSCH CO.

BALANCE SHEET
DECEMBER 31, 1996

ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	$ 992,887
Accounts receivable:	
Trade - contract related	1,973,817
Trade - other	225,934
Commissions	132,241
	2,331,992
Cost and estimated earnings in excess of billings on uncompleted contracts	750,942
Inventory	117,815
Advances and other prepaids	3,230
Total Current Assets	4,196,866
OTHER ASSETS	95,077
PROPERTY AND EQUIPMENT - AT COST	143,022
Less - Accumulated depreciation	59,998
	83,024
	$4,374,967
LIABILITIES	
CURRENT LIABILITIES:	
Payments due within one year on long-term debt	$ 48,047
Accounts payable	903,826
Billings in excess of cost and estimated earnings on uncompleted contracts	995,002
Accrued liabilities	653,101
Total Current Liabilities	2,599,976
LONG-TERM DEBT	43,992
STOCKHOLDERS' EQUITY	
COMMON STOCK	
Authorized and issued 100,000 shares; stated value $.50 per share; outstanding 95,079 shares	50,000
RETAINED EARNINGS	1,777,756
	1,827,756
TREASURY STOCK, at cost	96,757
	1,730,999
	$4,374,967

See notes to financial statements.

BUSCH CO.

STATEMENT OF OPERATIONS AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 1996

REVENUES	$11,301,075
COST OF REVENUES	7,663,529
Gross Profit	3,637,546
OPERATING EXPENSES	
General, administrative and selling	2,849,511
Interest	1,855
	2,851,366
Income From Operations	786,180
OTHER INCOME	450,621
Net Income	1,236,801
RETAINED EARNINGS	
Balance, Beginning of year	858,805
Distributions	(317,850)
Balance, End of year	$ 1,777,756

See notes to financial statements.

BUSCH CO.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 1996

CASH FLOWS FROM OPERATING ACTIVITIES	
Net income	$ 1,236,801
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	17,820
Changes in assets and liabilities:	
Accounts receivable	(1,173,256)
Inventory	(10,632)
Advances and other prepaids	23,775
Other assets	(28,211)
Accounts payable	136,181
Accrued liabilities	287,654
Net increase in billings related to costs and estimated earnings on uncompleted contracts	(88,377)
Net Cash Provided By Operating Activities	401,755
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of equipment	(28,515)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from long-term debt	100,000
Payments on long-term debt	(7,961)
Payment of distributions to shareholders	(317,850)
Net Cash Used in Financing Activities	(225,811)
Net Increase in Cash	147,429
CASH - BEGINNING OF YEAR	845,458
CASH - END OF YEAR	$ 992,887

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid during the year for:	
Interest	$ 1,855

See notes to financial statements.

BUSCH CO.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1996

NOTE 1 - ORGANIZATION

Busch Co. (the Company) designs and manufactures air handling units for the metals industry. Also, they are manufacturer's representatives for vendors that supply components related to this industry. The customer base includes steel and aluminum producers worldwide and the Company extends credit to these customers. The Company performs ongoing credit evaluations of its customers' financial condition and, generally, requires no collateral from its customers.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies consistently applied by management in the preparation of the accompanying financial statements follows.

Revenue recognition - Revenue from contracts is recognized on the percentage of completion method as more fully described below. Revenue from sales of product related to the Company's service representative and distributor relationships is generally recognized upon shipment to customers.

Management estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash - The Company maintains cash deposits in various banks which at times exceed federally insured amounts.

Inventory - Cost is stated at the lower of cost or market. Cost is determined using the first-in, first- out (FIFO) method.

Property and equipment - Depreciation is provided on the straight-line method over estimated useful lives. Repairs and maintenance which do not extend the lives of the applicable assets are charged to expense as incurred. Profit or loss resulting from the retirement or other disposition of assets is included in income.

Patent - Included in other assets in the accompanying balance sheet is approximately $85,000 related to patent costs. Amortization is provided on the straight-line basis over estimated useful lives and accumulated amortization approximated $8,000 at December 31, 1996.

Contracts - Revenues from the design and manufacture of air handling units are recognized on the percentage of completion method, measured by the percentage of contract costs incurred to date to estimated total contract costs for each contract. This method is used because management considers contract costs to be the best available measure of progress on these contracts.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contract costs include direct material, labor cost and those indirect costs related to contract performance, such as indirect labor, supplies, tools, repairs and depreciation costs. General and administrative costs are charged to expense as incurred. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined. Changes in job performance, job conditions and estimated profitability may result in revisions to contract revenue and costs and are recognized in the period in which the revisions are made.

The asset, "costs and estimated earnings in excess of billings on uncompleted contracts," represents revenues recognized in excess of amounts billed, the liability, "billings in excess of costs and estimated earnings on uncompleted contracts," represents billings in excess of revenues recognized.

Income taxes - The corporation has elected to be taxed as an S corporation. Accordingly, the taxable income or loss of the corporation is included in the personal tax returns of the stockholders. Therefore, no provision for federal or state income taxes is included in the accompanying financial statements.

NOTE 3 - SUBSEQUENT EVENT

In 1997, the Company entered into a letter of intent which provides for the transfer of certain assets, and all rights and interests of the Company. As of the date of this report, no agreements have been consummated.

NOTE 4 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of the Company's cash and cash equivalents, accounts receivable and note payable approximate their fair value.

NOTE 5 - CONTRACT RECEIVABLES

Contract receivables consist of the following:

Contract receivables billed:	
Completed contracts	$ 40,107
Contracts in progress	1,920,068
Retained	13,642
	$1,973,817

NOTE 6 - COSTS AND ESTIMATED EARNINGS ON UNCOMPLETED CONTRACTS

Costs and estimated earnings on uncompleted contracts consists of the following:

Costs incurred on uncompleted contracts	$6,286,797
Estimated earnings	3,170,062
	9,456,859
Less: billings to date	9,700,919
	($244,060)
Included in the accompanying balance sheets under the following captions:	
Costs and estimated earnings in excess of billings on uncompleted contracts	$ 750,942
Billings in excess of costs and estimated earnings on uncompleted contracts	(995,002)
	($ 244,060)

NOTE 7 - LINE OF CREDIT

The Company has a demand line of credit agreement with Mellon Bank in the amount of $450,000 with interest at the prime rate (8.0% at December 31, 1996) plus .5%. The agreement is collateralized by inventory and equipment and is due to expire on November 9, 1997.

In 1997, this agreement was amended to provide an additional $200,000 for issuance of letters of credit. All other terms and conditions remain the same except that the majority stockholder has personally guaranteed this facility.

NOTE 8 - LONG-TERM DEBT

Long-term debt is as follows:

Note payable to a bank, payable in monthly installments totaling $4,534 including interest at 9.0% through September 9, 1998 and a final payment of $5,417, collateralized by accounts receivable and inventory	$92,402
Less payments due within one year	48,047
	$44,355

NOTE 9 - EMPLOYEE RETIREMENT PLANS

The Company has a defined contribution profit sharing plan covering substantially all full-time employees. Contributions to the plans are determined annually by management. The plan also contains a participant salary reduction and employer matching provision. The employer matching portion is limited to 6% of eligible compensation. Total contributions to the Plan for the year ended December 31, 1996 were approximately $64,000.

NOTE 10 - LEASES

The Company leases its corporate offices from an entity related through common ownership. The lease provides for monthly rental payments of approximately $11,000 and is due to expire on July 31, 1999.

In addition, the Company also leases automobiles and certain office equipment. Total rent expense approximated $203,000 for the year ended December 31, 1996.

Following is a schedule, by year, of the future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of December 31, 1996:

1997	$214,000
1998	198,000
1999	103,000
2000	13,000
2001	2,000
	$530,000

NOTE 11 - BACKLOG

The following schedule shows a reconciliation of backlog representing the amount of revenue the Company expects to realize from work to be performed on uncompleted contracts in progress at December 31, 1996 and from contractual agreements on which work has not yet begun:

Balance, December 31, 1995	$ 4,763,531
Contract adjustments	45,123
New contracts, 1996	10,930,030
	15,738,684
Less contract revenue recognized, 1996	9,347,755
Balance, December 31, 1996	$ 6,390,929

As of December 31, 1996, certain contracts have been omitted from the backlog reconciliation due to management's uncertainty as to the continuation of these contracts. The total contract price, contract revenue recognized during 1996 and backlog associated with these contracts, amounted to approximately $2,547,000, $104,000 and $2,443,000, respectively.

In addition, between January 1, 1997 and June 30, 1997, the Company entered into additional contracts with a value of approximately $6,880,000.

BUSCH CO.
Pittsburgh, Pennsylvania

Report on Review of Financial Statements

For the Six Months Ended June 30, 1997

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To the Stockholders
Busch Co.
Pittsburgh, Pennsylvania

We have reviewed the accompanying balance sheet of Busch Co. as of June 30, 1997 and the related statements of operations and retained earnings, and cash flows for the six months then ended, in accordance with Statements on Standards for Acounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Busch Co.

A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

As discussed in Note 3 to the financial statements, the Company entered into an asset purchase agreement to sell certain assets and interests of the Company which represent primarily all of the Company's operations.

Schneider Downs & Co., Inc.
Certified Public Accountants

Pittsburgh, Pennsylvania
October 3, 1997

BUSCH CO.

BALANCE SHEET
JUNE 30, 1997

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	$1,443,807
Accounts receivable:	
Trade - contract related	2,595,020
Trade - other	330,460
Commissions	244,180
	3,169,660
Cost and estimated earnings in excess of billings on uncompleted contracts	234,394
Inventory	145,379
Advances and other prepaids	13,059
Total Current Assets	5,006,299
OTHER ASSETS	92,323
PROPERTY AND EQUIPMENT - AT COST	201,639
Less - Accumulated depreciation	69,821
	131,818
	$5,230,440

LIABILITIES

CURRENT LIABILITIES	
Accounts payable	$1,259,691
Billings in excess of cost and estimated earnings on uncompleted contracts	1,070,310
Accrued liabilities	1,126,884
Total Current Liabilities	3,456,885

STOCKHOLDERS' EQUITY

COMMON STOCK	
Authorized and issued 100,000 shares; stated value $.50 per share; outstanding 95,079 shares	50,000
RETAINED EARNINGS	1,820,312
	1,870,312
TREASURY STOCK, at cost	96,757
	1,773,555
	$5,230,440

See notes to financial statements.

BUSCH CO.

STATEMENT OF OPERATIONS AND RETAINED EARNINGS
FOR THE SIX MONTHS ENDED JUNE 30, 1997

REVENUES	$6,606,368
COST OF REVENUES	4,270,758
Gross Profit	2,335,610
COMMISSION INCOME	297,474
OPERATING EXPENSES	
General, administrative and selling	2,131,019
Interest	4,133
	2,135,152
Income from Operations	497,932
INTEREST INCOME	27,931
Net Income	525,863
RETAINED EARNINGS	
Balance, Beginning of period	1,777,756
Distributions	(483,307)
Balance, End of period	$1,820,312

See notes to financial statements.

BUSCH CO.

STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 1997

CASH FLOWS FROM OPERATING ACTIVITIES	
Net income	$ 525,863
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	10,896
Changes in assets and liabilities:	
Accounts receivable	(837,668)
Inventory	(27,564)
Advances and other prepaids	(9,829)
Other assets	1,682
Accounts payable	355,865
Accrued liabilities	473,783
Net increase in billings related to costs and estimated earnings on uncompleted contracts	591,856
Net Cash Provided By Operating Activities	1,084,884
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of equipment	(58,618)
CASH FLOWS FROM FINANCING ACTIVITIES	
Payments on long-term debt	(92,039)
Payment of distributions to stockholders	(483,307)
Net Cash Used in Financing Activities	(575,346)
Net Increase in Cash	450,920
CASH - BEGINNING OF PERIOD	992,887
CASH - END OF PERIOD	$1,443,807

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid during the period for:	
Interest	$ 4,133

See notes to financial statements.

NOTE 1 - ORGANIZATION

Busch Co. (the Company) designs and manufactures air handling units for the metals industry. Also, they are manufacturer's representatives for vendors that supply components related to this industry. The customer base includes steel and aluminum producers worldwide and the Company extends credit to these customers. The Company performs ongoing credit evaluations of its customers' financial condition and, generally, requires no collateral from its customers.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies consistently applied by management in the preparation of the accompanying financial statements follows.

Revenue recognition - Revenue from contracts is recognized on the percentage of completion method as more fully described below. Revenue from sales of product related to the Company's service representative and distributor relationships is generally recognized upon shipment to customers.

Management estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash - The Company maintains cash deposits in various banks which at times exceed federally insured amounts.

Inventory - Cost is stated at the lower of cost or market. Cost is determined using the first-in, first-out (FIFO) method.

Property and equipment - Depreciation is provided on the straight-line method over estimated useful lives. Repairs and maintenance which do not extend the lives of the applicable assets are charged to expense as incurred. Profit or loss resulting from the retirement or other disposition of assets is included in income.

Patent - Included in other assets in the accompanying balance sheet is approximately $85,000 related to patent costs. Amortization is provided on the straight-line basis over estimated useful lives and accumulated amortization approximated $9,000 at June 30, 1997.

Contracts - Revenues from the design and manufacture of air handling units are recognized on the percentage of completion method, measured by the percentage of contract costs incurred to date to estimated total contract costs for each contract. This method is used because management considers contract costs to be the best available measure of progress on these contracts.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contract costs include direct material, labor cost and those indirect costs related to contract performance, such as indirect labor, supplies, tools, repairs and depreciation costs. General and administrative costs are charged to expense as incurred. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined. Changes in job performance, job conditions and estimated profitability may result in revisions to contract revenue and costs and are recognized in the period in which the revisions are made.

The asset, "costs and estimated earnings in excess of billings on uncompleted contracts," represents revenues recognized in excess of amounts billed. The liability, "billings in excess of costs and estimated earnings on uncompleted contracts," represents billings in excess of revenues recognized.

Income taxes - The corporation has elected to be taxed as an S corporation. Accordingly, the taxable income or loss of the corporation is included in the personal tax returns of the stockholders. Therefore, no provision for federal or state income taxes is included in the accompanying financial statements.

NOTE 3 - SUBSEQUENT EVENT

On September 25, 1997, the Company entered into an asset purchase agreement with CECO Filters, Inc. (CECO) for the sale of certain assets, and all rights and interests of the Company. The sale was effective July 1, 1997, and includes certain construction contracts, certain real property leases, all inventories, goodwill, all rights pursuant to warranties, representations and guaranties and all rights, titles and interests in trademarks, service marks, trade names and trade styles. Also, as of July 1,1997, operations will be conducted by CECO.

The accompanying financial statements do not reflect any adjustments that result from the discontinuance of the Company.

NOTE 4 - CONTRACT RECEIVABLES

Contract receivables consist of the following:

Contract receivables billed:	
Completed contracts	$ 411,197
Contracts in progress	2,183,823
	$2,595,020

NOTE 5 - COSTS AND ESTIMATED EARNINGS ON UNCOMPLETED CONTRACTS

Costs and estimated earnings on uncompleted contracts consists of the following:

Costs incurred on uncompleted contracts	$ 7,526,876
Estimated earnings	4,255,444
	11,782,320
Less: billings to date	12,618,236
	($835,916)
Included in the accompanying balance sheet under the following captions:	
Costs and estimated earnings in excess of billings on uncompleted contracts	$ 234,394
Billings in excess of costs and estimated earnings on uncompleted contracts	(1,070,310)
	($ 835,916)

NOTE 6 - EMPLOYEE RETIREMENT PLANS

The Company has a defined contribution profit sharing plan covering substantially all full-time employees. Contributions to the plans are determined annually by management. The plan also contains a participant salary reduction and employer matching provision. As determined by the provisions of the plan, the Company matches the employees' basic voluntary contributions. Company matching contributions to the plan were approximately $40,000 for the six month period ended June 30, 1997.

In accordance with the purchase agreement described in Note 3, CECO shall assume all obligations accruing after the closing date and shall become the plan sponsor.

NOTE 7 - LEASES

The Company leases its corporate offices from an entity related through common ownership. The lease provides for monthly rental payments of approximately $11,000 and is due to expire on July 31, 2001.

In addition, the Company also leases automobiles and certain office equipment. Total rent expense approximated $116,000 for the six months ended June 30, 1997.

Following is a schedule, by year, of the future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 1997:

1998	$227,000
1999	192,000
2000	169,000
2001	154,000
	$742,000

In accordance with the purchase agreement described in Note 3, CECO has assumed these lease obligations.

NOTE 8 - BACKLOG

The following schedule shows a reconciliation of backlog representing the amount of revenue the Company expects to realize from work to be performed on uncompleted contracts in progress at June 30, 1997 and from contractual agreements on which work has not yet begun:

Balance, December 31, 1996	$ 6,390,929
Contract adjustments	490,289
New contracts, 1997	7,356,333
	14,237,551
Less - Contract revenue recognized, June 30, 1997	5,680,521
Balance, June 30, 1997	$ 8,557,030

CECO ENVIRONMENTAL CORP. AND CONSOLIDATED SUBSIDIARIES

PRO FORMA CONSOLIDATED CONDENSED BALANCE SHEET (UNAUDITED)
DECEMBER 31, 1996
(NOTE 1)

	CECO ENVIRONMENTAL CORP. AND SUBSIDIARIES	PRO FORMA	
		ADJUSTMENTS	CONSOLIDATED
ASSETS			
Current assets:			
Cash	$ 412,174	($ 12,500)(F) (100,000)(H)	$ 299,674
Marketable securities, trading	1,015,521	(500,000)(D)	515,521
Accounts receivable	2,077,045	2,165,562(G)	4,242,607
Inventories	565,371	145,379(G)	710,750
Prepaid expenses and other current assets	45,464	100,000(A)	145,464
Deferred income taxes	58,735		58,735
Total current assets	4,174,310	1,798,441	5,972,751
Property and equipment, net	1,806,126	131,818(G)	1,937,944
Intangible and other assets, at cost, net	36,031	12,500(F) 76,672(G)	125,203
Goodwill	3,184,810	1,601,637(G) 100,000(H)	4,886,447
	$9,201,277	$3,721,068	$12,922,345
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Short-term obligations	$ 400,000	$1,040,576(E)	$ 1,440,576
Current portion of long-term debt	83,100	250,000(C)	333,100
Current portion of capital lease obligation	6,043		6,043
Accounts payable and accrued expenses	1,220,595	14,930(G)	1,235,525
Billings in excess of costs and estimated earnings on uncompleted contracts		2,165,562 (G)	2,165,562
Accrued income taxes	276,976	(200,000)(B)	76,976
Total current liabilities	1,986,714	3,271,068	5,257,782
Long-term debt, less current portion	1,132,869	750,000(C)	1,882,869
Capital lease obligation, less current portion	9,882		9,882
Total liabilities	3,129,465	4,021,068	7,150,533
Minority interest	964,203	(104,000)(B)	860,203
Shareholders' equity:			
Common stock	73,385		73,385
Capital in excess of par value	8,178,998		8,178,998
Accumulated deficit	(2,796,105)	(196,000)(B)	(2,992,105)
	5,456,278	(196,000)	5,260,278
Less treasury stock, at cost	(348,669)		(348,669)
Net shareholders' equity	5,107,609	(196,000)	4,911,609
	$9,201,277	$3,721,068	$12,922,345

CECO ENVIRONMENTAL CORP. AND CONSOLIDATED SUBSIDIARIES

PRO FORMA CONSOLIDATED CONDENSED STATEMENT OF OPERATIONS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 1996
(NOTE 2)

	CECO ENVIRONMENTAL CORP. AND SUBSIDIARIES	BUSCH CO.	TOTAL	PRO FORMA ADJUSTMENTS		PRO FORMA CONSOLIDATED
Net revenues	$9,847,697	$11,751,696	$21,599,393			$21,599,393
Costs and expenses:						
Cost of revenues	5,187,732	7,663,529	12,851,261			12,851,261
Selling and administrative	3,524,734	2,831,691	6,356,425	$ 100,000	(I)	6,909,663
				100,000	(L)	
				353,238	(N)	
Depreciation and amortization	416,988	17,820	434,808	40,041	(K)	474,849
	9,129,454	10,513,040	19,642,494	593,279		20,235,773
Income from operations	718,243	1,238,656	1,956,899	(593,279)		1,363,620
Other income (expense), net	(72,074)	1,855	(70,219)	(217,534)	(J)	(287,753)
Income before income taxes and minority interest	646,169	1,240,511	1,886,680	(810,813)		1,075,867
Income taxes	205,788		205,788	208,816	(M)	414,604
Income before minority interest	440,381	1,240,511	1,680,892	(1,019,629)		661,263
Minority interest in net income of consolidated subsidiary	(139,298)		(139,298)	(77,000)	(O)	(216,298)
Net income	$ 301,083	$ 1,240,511	$ 1,541,594	($1,096,629)		$ 444,695
Net income per share	$.04					$.06
Weighted average number of common shares outstanding	7,001,036					7,001,036

CECO ENVIRONMENTAL CORP. AND CONSOLIDATED SUBSIDIARIES

Explanatory Notes to Pro Forma Consolidated Condensed Financial Statements
For the Year Ended December 31, 1996

1. The pro forma consolidated condensed balance sheet is based on the consolidated balance sheet of CECO Environmental Corp. ("CEC") to reflect the acquisition of Busch Co. ("Busch") by CECO Filters, Inc. ("CECO"), a majority-owned subsidiary of CEC, which took place on September 25, 1997 ("closing date") (effective date of July 1, 1997), as if it had taken place on December 31, 1996, after giving effect to the pro forma adjustments to reflect the following:

CECO paid $2,100,000 for essentially all of the assets and business of Busch on the closing date. As part of the transaction, CECO obtained a non-compete agreement from one of the stockholders of Busch pursuant to which he will be paid a total of $900,000, of which $100,000 (A) was paid on the closing date, and $200,000 is to be paid on July 1, 1998, 1999, 2000, and 2001. In addition, a sign-on bonus of $500,000 was paid to this stockholder ($300,000 net of income taxes) (B) on the closing date.

The total cash required at closing amounted to $2,540,576 and is net of certain of Busch's accrued expenses which CECO agreed to assume. CECO financed this transaction with a bank term loan in the amount of $1,000,000 (C); a $500,000 (D) subordinated, unsecured loan from CEC, and $1,040,576 (E) from its $1,500,000 bank line of credit. The bank term loan requires 48 monthly principal payments of $20,833, plus interest at 8.75% per annum, commencing October 1, 1997. Under the terms of a subordination agreement between CEC and CECO's lender, principal repayment under the unsecured loan from CEC cannot commence until after September 30, 1999. Interest on the CEC loan is at 10% per annum. Interest on the bank line of credit is at 1/2% over the bank's prime lending rate (current effective rate is 9%). CECO incurred financing fees of $ 12,500 (F) related to the bank financing.

The net assets acquired are summarized as follows (G):

Accounts receivable related to jobs in process	$2,165,562
Inventory	145,379
Equipment	131,818
Patents	76,672
Goodwill	1,601,637
Billings in excess of costs and estimated earnings on uncompleted contracts	(2,165,562)
Accrued expenses	(14,930)
Total	$1,940,576

CECO incurred approximately $100,000 (H) in costs associated with the transaction, which was funded internally.

CECO ENVIRONMENTAL CORP. AND CONSOLIDATED SUBSIDIARIES

Explanatory Notes to Pro Forma Consolidated
Condensed Financial Statements - Continued
For the Year Ended December 31, 1996

2. The pro forma consolidated condensed statement of operations is based on the individual statements of CEC and Busch for the year ended December 31, 1996, after giving effect to the pro forma adjustments necessary to reflect the acquisition described in Note 1, as if it had taken place on January 1, 1996.

The pro forma adjustments are as follows:

(I) Amortization of covenant not to compete of $100,000.

(J) Increase in interest expense of $172,534 as a result of $1,000,000 bank term loan and the use of bank line of credit of $1,040,576. Investment income was reduced by $45,000 resulting from sale of marketable securities.

(K) Amortization of goodwill over 40 years amounting to $40,041.

(L) Increase in salary of former officer of Busch as part of new employment agreement.

(M) Pro forma income taxes have been provided to reflect an effective tax rate of 40%.

(N) Incentive compensation under new employment agreement for former officer of Busch.

(O) Minority interest in pro forma net income of Busch Co.

(b) Pro-Forma Financial Information.

CECO ENVIRONMENTAL CORP. AND CONSOLIDATED SUBSIDIARIES

PRO FORMA CONSOLIDATED CONDENSED BALANCE SHEET (UNAUDITED)
JUNE 30, 1997
(NOTE 1)

	CECO ENVIRONMENTAL CORP. AND SUBSIDIARIES	PRO FORMA ADJUSTMENTS	PRO FORMA CONSOLIDATED
ASSETS			
Current assets:			
Cash	$ 994,620	($12,500) (F) (100,000) (H) (500,000) (O)	$ 382,120
Marketable securities, trading	913,346		913,346
Accounts receivable	806,845	2,165,562 (G)	2,972,407
Inventories	490,816	145,379 (G)	636,195
Prepaid expenses and other current assets	47,125	100,000 (A)	147,125
Recoverable income taxes		200,000 (B)	200,000
Deferred income taxes	58,735		58,735
Total current assets	3,311,487	1,998,441	5,309,928
Property and equipment, net	1,798,831	131,818 (G)	1,930,649
Intangible and other assets, at cost, net	107,484	12,500 (F) 76,672 (G)	196,656
Goodwill	3,324,668	1,601,637 (G) 100,000 (H)	5,026,305
	$8,542,470	$3,921,068	$12,463,538
LIABILITIES AND SHAREHOLDERS' EQUITY Current liabilities:			
Short-term obligations		$1,040,576 (E)	$ 1,040,576
Current portion of long-term debt	$ 66,959	250,000 (C)	316,959
Current portion of capital lease obligation	6,043		6,043
Accounts payable and accrued expenses	716,764	14,930 (G)	731,694
Billings in excess of costs and estimated earnings on uncompleted contracts		2,165,562 (G)	2,165,562
Accrued income taxes	32,686		32,686
Total current liabilities	822,452	3,471,068	4,293,520
Long-term debt, less current portion	1,094,336	750,000 (C)	1,844,336
Capital lease obligation, less current portion	6,262		6,262
	1,923,050	4,221,068	6,144,118
Minority interest	1,038,451	(104,000) (B)	934,451
Shareholders' equity:			
Common stock	75,245		75,245
Capital in excess of par value	8,409,638		8,409,638
Accumulated deficit	(2,555,245)	(196,000) (B)	(2,751,245)
	5,929,638	(196,000)	5,733,638
Less treasury stock, at cost	(348,669)		(348,669)
Net shareholders' equity	5,580,969	(196,000)	5,384,969
	$8,542,470	$3,921,068	$12,463,538

CECO ENVIRONMENTAL CORP.. AND CONSOLIDATED SUBSIDIARIES

PRO FORMA CONSOLIDATED CONDENSED STATEMENT OF OPERATIONS (UNAUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 1997
(NOTE 2)

	CECO ENVIRONMENTAL CORP. AND SUBSIDIARIES	BUSCH CO.	TOTAL	PRO FORMA ADJUSTMENTS	PRO FORMA CONSOLIDATED
Net revenues	$5,467,487	$6,903,842	$12,371,329		$12,371,329
Costs and expenses:					
Cost of revenues	2,797,027	4,270,758	7,067,785		7,067,785
Selling and administrative	1,975,761	2,120,123	4,095,884	$ 50,000 (I) 50,000 (L) 118,981 (N)	4,314,865
Depreciation and amortization	239,789	10,896	250,685	20,020 (K)	270,705
	5,012,577	6,401,777	11,414,354	239,001	11,653,355
Income from operations	454,910	502,065	956,975	(239,001)	717,974
Other income (expense), net	21,198	23,798	44,996	(108,767) (J)	(63,771)
Income before income taxes	476,108	525,863	1,001,971	(347,768)	654,203
Income taxes	161,000		161,000	70,861 (M)	231,861
Income before minority interest	315,108	525,863	840,971	(418,629)	422,342
Minority interest in income of consolidated subsidiary	(74,248)		(74,248)	(33,000) (O)	(107,248)
Net income	$ 240,860	$ 525,863	$ 766,723	($451,629)	$ 315,094
Net income per share	$.03				$.04
Weighted average number of common shares outstanding	7,231,628				7,231,628

CECO ENVIRONMENTAL CORP. AND CONSOLIDATED SUBSIDIARIES

Explanatory Notes to Pro Forma Consolidated Condensed Financial Statements
For the Six Months Ended June 30, 1997

1. The pro forma consolidated condensed balance sheet is based on the consolidated balance sheet of CECO Environmental Corp. ("CEC") to reflect the acquisition of Busch Co. ("Busch") by CECO Filters, Inc. ("CECO"), a majority-owned subsidiary of CEC, which took place on September 25, 1997 ("closing date") (effective date of July 1, 1997), as if it had taken place on June 30, 1997, after giving effect to the pro forma adjustments to reflect the following:

CECO paid $2,100,000 for essentially all of the assets and business of Busch on the closing date. As part of the transaction, CECO obtained a non-compete agreement from one of the stockholders of Busch pursuant to which he will be paid a total of $900,000, of which $100,000 (A) was paid on the closing date, and $200,000 is to be paid on July 1, 1998, 1999, 2000, and 2001. In addition, a sign-on bonus of $500,000 was paid to this stockholder ($300,000 net of income taxes) (B) on the closing date.

The total cash required at closing amounted to $2,540,576 and is net of certain of Busch's accrued expenses which CECO agreed to assume. CECO financed this transaction with a bank term loan in the amount of $1,000,000 (C); a $500,000 (D) subordinated, unsecured loan from CEC, and $1,040,576 (E) from its $1,500,000 bank line of credit. The bank term loan requires 48 monthly principal payments of $20,833, plus interest at 8.75% per annum, commencing October 1, 1997. Under the terms of a subordination agreement between CEC and CECO's lender, principal repayment under the unsecured loan from CEC cannot commence until after September 30, 1999. Interest on the CEC loan is at 10% per annum. Interest on the bank line of credit is at 1/2% over the bank's prime lending rate (current effective rate is 9%). CECO incurred financing fees of $ 12,500 (F) related to the bank financing.

The net assets acquired are summarized as follows (G):

Accounts receivable related to jobs in process	$2,165,562
Inventory	145,379
Equipment	131,818
Patents	76,672
Goodwill	1,601,637
Billings in excess of costs and estimated earnings on uncompleted contracts	(2,165,562)
Accrued expenses	(14,930)
Total	$1,940,576

CECO incurred approximately $100,000 (H) in costs associated with the transaction, which was funded internally.

Explanatory Notes to Pro Forma Consolidated
Condensed Financial Statements - Continued
For the Six Months Ended June 30, 1997

2. The pro forma consolidated condensed statement of operations is based on the individual statements of CEC and Busch for the six months ended June 30, 1997, after giving effect to the pro forma adjustments necessary to reflect the acquisition described in Note 1, as if it had taken place on January 1, 1997.

The pro forma adjustments are as follows:

(I) Amortization of covenant not to compete of $50,000.

(J) Increase in interest expense of $86,267 as a result of $1,000,000 bank term loan and the use of bank line of credit of $1,040,576. Investment income was reduced by $22,500 resulting from use of $500,000 of cash for Busch Co. acquisition.

(K) Amortization of goodwill over 40 years amounting to $20,020.

(L) Increase in salary of former officer of Busch as part of new employment agreement.

(M) Pro forma income taxes have been provided to reflect an effective tax rate of 40%.

(N) Incentive compensation under new employment agreement for former officer of Busch.

(O) Minority interest in pro forma net income of Busch Co.

(c) Exhibits.

None

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

SIGNATURE

CECO ENVIRONMENTAL CORP.

By: Phillip DeZwirek

Phillip DeZwirek
Chief Executive Officer

DATE: December 8, 1997