

FINANCIAL STATEMENTS

**ACADEMY OF CERTIFIED HAZARDOUS
MATERIALS MANAGERS**

**FOR THE YEARS ENDED
DECEMBER 31, 2004 AND 2003**

ACADEMY OF CERTIFIED HAZARDOUS MATERIALS MANAGERS

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
Academy of Certified Hazardous Materials Managers
Rockville, Maryland

We have reviewed the accompanying statements of financial position - modified cash basis of the Academy of Certified Hazardous Materials Managers as of December 31, 2004 and 2003 and the related statements of activities and changes in net assets - modified cash basis and cash flows - modified cash basis for the years then ended in accordance with Statements on Standards for Accounting 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 the Academy of Certified Hazardous Materials Managers.

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 auditing standards generally accepted in the United States of America, 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 the modified cash basis of accounting, as described in Note 1.

April 8, 2005

ACADEMY OF CERTIFIED HAZARDOUS MATERIALS MANAGERS
STATEMENTS OF FINANCIAL POSITION - MODIFIED CASH BASIS
AS OF DECEMBER 31, 2004 AND 2003

ASSETS		2004	2003
CURRENT ASSETS			
Cash – checking		\$322,876	\$101,013
Cash – money market		199,224	161,622
Accounts receivable		1,625	1,000
Inventory		19,529	34,957
	Total current assets	<u>543,254</u>	<u>298,592</u>
EQUIPMENT			
Equipment		38,360	45,966
Less: Accumulated depreciation		<u>(28,955)</u>	<u>(32,891)</u>
	Net equipment	<u>9,405</u>	<u>13,075</u>
	TOTAL ASSETS	<u>\$552,659</u>	<u>\$311,667</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable - Chapters		<u>\$ 16,345</u>	<u>\$ 10,240</u>
	Total current liabilities	<u>16,345</u>	<u>10,240</u>
NET ASSETS			
Unrestricted		<u>536,314</u>	<u>301,427</u>
	TOTAL LIABILITIES AND NET ASSETS	<u>\$552,659</u>	<u>\$311,667</u>

See accompanying note and accountants' review report.

ACADEMY OF CERTIFIED HAZARDOUS MATERIALS MANAGERS

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
REVENUE		
Annual conference	\$433,644	\$121,887
Investment income	1,388	1,583
Membership dues	428,503	402,671
Publications	32,569	32,573
Training	15,458	18,898
Other income	4,632	6,196
	<u>916,194</u>	<u>583,808</u>
Total revenue		
EXPENSES		
Cost of goods sold	38,471	41,176
Annual conference	286,951	96,419
Committee expense	64,177	37,572
Dues collection	23,624	19,204
Employee expense	139,246	135,595
General and administration	83,083	100,943
Member services	45,755	89,795
	<u>681,307</u>	<u>520,704</u>
Total expenses		
Changes in net assets	234,887	63,104
Net assets, beginning of year	<u>301,427</u>	<u>238,323</u>
NET ASSETS, END OF YEAR	<u>\$536,314</u>	<u>\$301,427</u>

See accompanying note and accountants' review report.

ACADEMY OF CERTIFIED HAZARDOUS MATERIALS MANAGERS

STATEMENTS OF CASH FLOWS - MODIFIED CASH BASIS
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$234,887	\$ 63,104
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	3,670	3,062
(Increase) decrease in:		
Accounts receivable	(625)	(1,000)
Inventory	15,428	(7,712)
Increase in:		
Accounts payable – chapters	<u>6,105</u>	<u>6,960</u>
Net cash provided by operating activities	259,465	64,414
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of furniture and equipment	<u>-</u>	<u>(4,940)</u>
Net increase in cash and cash equivalents	259,465	59,474
Cash and cash equivalents, beginning of year	<u>262,635</u>	<u>203,161</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$522,100</u></u>	<u><u>\$262,635</u></u>

See accompanying note and accountants' review report.

ACADEMY OF CERTIFIED HAZARDOUS MATERIALS MANAGERS

NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization –

The Academy of Certified Hazardous Materials Managers, Inc. (ACHMM) is a not-for-profit organization established in 1985 and is made up of sixty-nine Chapters and over five thousand members. ACHMM's member professionals work in a variety of fields dealing with hazardous materials and environmental health and safety issues.

Basis of presentation –

The accompanying financial statements are prepared on the modified cash basis of accounting. Consequently, certain revenues are recognized when received rather than when earned, and certain expenses and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred.

Cash and cash equivalents –

ACHMM reports as cash and cash equivalents all highly liquid investments with maturities of less than six months at the date of receipt.

At times during the year, ACHMM maintains cash balances at financial institutions in excess of the Federal Deposit Insurance Corporation (FDIC) limits. Management believes the risk in these situations to be minimal.

Income taxes –

ACHMM is exempt from Federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation.

Equipment –

Equipment is recorded at cost and depreciated using the straight-line method of depreciation over the estimated useful lives of the related assets, generally three to seven years.

Net asset classification –

Unrestricted net assets include unrestricted revenue and contributions received without donor-imposed restrictions. These net assets are available for the operations of ACHMM and include both internally designated and undesignated resources.

Conference revenue –

ACHMM has an annual conference and receives funds in advance from participating organizations. Funds received are presented as revenue in the accompanying Statements of Activities and Changes in Net Assets when received.

ACADEMY OF CERTIFIED HAZARDOUS MATERIALS MANAGERS

NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Membership dues –

ACHMM obtains a portion of its revenue from individuals who become ACHMM members. Membership revenue is utilized for general operating expenses and to cover the cost of general membership services, such as the newsletter and other publications and the jobs hotline. Membership dues are recognized as unrestricted revenue when received.

Use of estimates –

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Inventory –

Inventory consists of desk reference books/publications and promotional items recorded at the lower of cost or market value using the first-in, first-out method of inventory.