

FINANCIAL STATEMENTS

**ACADEMY OF CERTIFIED HAZARDOUS
MATERIALS MANAGERS**

**FOR THE YEARS ENDED
DECEMBER 31, 2005 AND 2004**

ACADEMY OF CERTIFIED HAZARDOUS MATERIALS MANAGERS

CONTENTS

	PAGE NO.
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS	2
EXHIBIT A - Statements of Financial Position - Modified Cash Basis, as of December 31, 2005 and 2004	3
EXHIBIT B - Statements of Activities and Changes in Net Assets - Modified Cash Basis, for the Years Ended December 31, 2005 and 2004	4
EXHIBIT C - Statements of Cash Flows - Modified Cash Basis, for the Years Ended December 31, 2005 and 2004	5
NOTE TO THE FINANCIAL STATEMENTS	6-7



GELMAN, ROSENBERG & FREEDMAN
CERTIFIED PUBLIC ACCOUNTANTS

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, 2005 and 2004 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.

Gelman Rosenberg & Freedman

May 5, 2006

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ACADEMY OF CERTIFIED HAZARDOUS MATERIALS MANAGERS
STATEMENTS OF FINANCIAL POSITION - MODIFIED CASH BASIS
AS OF DECEMBER 31, 2005 AND 2004

ASSETS		2005	2004
CURRENT ASSETS			
Cash – checking		\$ 90,623	\$322,876
Cash – money market		360,954	199,224
Accounts receivable		4,350	1,625
Other current assets		893	-
Inventory		46,102	19,529
	Total current assets	<u>502,922</u>	<u>543,254</u>
EQUIPMENT			
Equipment		72,935	38,360
Less: Accumulated depreciation		<u>(42,920)</u>	<u>(28,955)</u>
	Net equipment	<u>30,015</u>	<u>9,405</u>
	TOTAL ASSETS	<u>\$532,937</u>	<u>\$552,659</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable - Chapters		<u>\$ 10,570</u>	<u>\$ 16,345</u>
	Total current liabilities	<u>10,570</u>	<u>16,345</u>
NET ASSETS			
Unrestricted		<u>522,367</u>	<u>536,314</u>
	TOTAL LIABILITIES AND NET ASSETS	<u>\$532,937</u>	<u>\$552,659</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, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
REVENUE		
Annual conference	\$104,435	\$433,644
Investment income	5,088	1,388
Membership dues	334,655	428,503
Publications	33,411	32,569
Training	18,165	15,458
Other income	3,666	4,632
	<u>499,420</u>	<u>916,194</u>
EXPENSES		
Cost of goods sold	40,808	38,471
Annual conference	48,624	286,951
Committee expense	73,945	64,177
Dues collection	18,930	23,624
Employee expense	140,183	139,246
General and administration	138,534	83,083
Member services	52,343	45,755
	<u>513,367</u>	<u>681,307</u>
Changes in net assets	(13,947)	234,887
Net assets, beginning of year	<u>536,314</u>	<u>301,427</u>
NET ASSETS, END OF YEAR	<u>\$522,367</u>	<u>\$536,314</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, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$(13,947)	\$234,887
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation	13,965	3,670
(Increase) decrease in:		
Accounts receivable	(2,725)	(625)
Other current assets	(893)	-
Inventory	(26,573)	15,428
Increase (decrease) in:		
Accounts payable – Chapters	<u>(5,775)</u>	<u>6,105</u>
Net cash provided (used) by operating activities	(35,948)	259,465
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of furniture and equipment	<u>(34,575)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(70,523)	259,465
Cash and cash equivalents, beginning of year	<u>522,100</u>	<u>262,635</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$451,577</u>	<u>\$522,100</u>

See accompanying note and accountants' review report.

ACADEMY OF CERTIFIED HAZARDOUS MATERIALS MANAGERS

NOTE TO THE FINANCIAL STATEMENTS DECEMBER 31, 2005 AND 2004

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 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, 2005 AND 2004**

**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.