ENVIRONMENTAL MONITORING & TESTING CORP
Form 10QSB/A
March 02, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB/A
(Amendment No. 1)

(Mark One)

[X] QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: December 31, 2004

[ ] **TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT**

For the transition period from _________________ to _________________

Commission file number: 0-18296

Environmental Monitoring and Testing Corporation
(Exact name of small business issuer as specified in its charter)

Delaware	**62-1265486**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification No.)**

1350 East Flamingo Road
Suite 688
Las Vegas, Nevada 89119
(Address of principal executive offices)

(702) 289-6665
(Issuer's telephone number)
____

(Former name, former address and former fiscal year, if changed since last report)
APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY
PROCEEDINGS DURING THE PRECEDING FIVE YEARS

Check whether the registrant filed all documents and reports required to be filed by Section l2, 13 or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by a court. Yes [ ] No [ ]

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: 6,184,000 shares Outstanding at December 31, 2004

Transitional Small Business Disclosure Format (Check one): Yes [ ] No [X]

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Unaudited financial statements for the quarter ended December 31, 2004 are provided on the following pages.

ENVIRONMENTAL MONITORING & TESTING CORPORATION
CONDENSED FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003

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ENVIRONMENTAL MONITORING AND TESTING CORPORATION

INDEX TO CONDENSED FINANCIAL STATEMENTS

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ENVIRONMENTAL MONITORING & TESTING CORPORATION
CONDENSED BALANCE SHEETS
DECEMBER 31, 2004
(UNAUDITED)

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	$ -
TOTAL ASSETS	$ -
	=========

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

LIABILITIES	
Accounts payable and accrued expenses	$ 248,750
Total Liabilities	248,750
STOCKHOLDERS' EQUITY (DEFICIT)	
Preferred Stock Series A, $.001 Par Value; 990,000 shares authorized and none issued and outstanding	-
Preferred Stock Series B, $.001 Par Value; 9,000,000 shares authorized and none issued and outstanding	-
Preferred Stock Series C, $.001 Par Value; 10,000 shares authorized and none issued and outstanding	-
Common Stock $.001 Par Value; 90,000,000 shares authorized and 6,184,000 shares issued and 3,785,183 shares outstanding	6,184
Additional Paid-in Capital	2,034,139
Accumulated Deficit	(2,067,768)
	(27,445)
Less: Cost of treasury stock, 2,398,817	(221,305)
Total Stockholders' Equity (Deficit)	(248,750)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	$ -
	=========

The accompanying notes are an integral part of these condensed financial statements.

ENVIRONMENTAL MONITORING & TESTING CORPORATION
CONDENSED STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2004 AND 2003
(UNAUDITED)

	2004	2003
OPERATING REVENUES		
Revenue	$ -	$ -
OPERATING EXPENSES		
General and Administrative expenses	3,750	26,407
NET LOSS BEFORE PROVISION FOR INCOME TAXES	(3,750)	(26,407)
Provision for Income Taxes	-	-
NET LOSS APPLICABLE TO COMMON SHARES	$ (3,750)	$ (26,407)
	==========	=========
NET LOSS PER BASIC AND DILUTED SHARES	$ (0.00)	$ (0.01)
	==========	=========
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	3,785,183	3,785,183
	==========	=========

The accompanying notes are an integral part of these condensed financial statements.

ENVIRONMENTAL MONITORING & TESTING CORPORATION
CONDENSED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2004 AND 2003
(UNAUDITED)

	2004	2003
CASH FLOW FROM OPERATING ACTIVITIES		
Net loss	$ (3,750)	$ (26,407)
Adjustments to reconcile net loss to net cash (used in) operating activities:		
Changes in assets and liabilities		
Decrease other current assets	-	918
Increase (decrease) in accounts payable and accrued expenses	3,750	(5,600)
Total adjustments	3,750	(4,682)
Net cash (used in) operating activities	-	(31,089)
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	-	(31,089)
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	-	31,089
CASH AND CASH EQUIVALENTS - END OF PERIOD	$ -	$ -
	========	========

The accompanying notes are an integral part of these condensed financial statements

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ENVIRONMENTAL MONITORING AND TESTING CORPORATION

NOTES TO CONDENSED FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(UNAUDITED)

NOTE 1 - **ORGANIZATION AND BASIS OF PRESENTATION**

The condensed unaudited interim financial statements included herein have been prepared, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. The condensed financial statements and notes are presented as permitted on Form 10-QSB and do not contain information included in the Company's annual statements and notes. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading. It is suggested that these condensed financial statements be read in conjunction with the September 30, 2004 audited financial statements and the accompanying notes thereto. While management believes the procedures followed in preparing these condensed financial statements are reasonable, the accuracy of the amounts are in some respects dependent upon the facts that will exist, and procedures that will be accomplished by the Company later in the year.

These condensed unaudited financial statements reflect all adjustments, including normal recurring adjustments which, in the opinion of management, are necessary to present fairly the operations and cash flows for the periods presented.

The Company was incorporated on May 10, 1998, under the laws of the State of Delaware. The business purpose of the Company was originally to engage in environmental monitoring and testing. However, on December 31, 2001, the Company liquidated its operating assets and currently has no operations. The Company has adopted a fiscal year ending September 30.

NOTE 2 - **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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 the reported amounts of assets and liabilities and disclosures 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 and Cash Equivalents

The Company considers all highly liquid debt instruments and other short-term investments with an initial maturity of three months or less to be cash equivalents.

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ENVIRONMENTAL MONITORING AND TESTING CORPORATION
NOTES TO CONDENSED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2004 AND 2003
(UNAUDITED)

NOTE 2 - **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Income Taxes

The income tax benefit is computed on the pretax loss based on the current tax law. Deferred income taxes are recognized for the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year-end based on enacted tax laws and statutory tax rates. The Company has not established a provision due to the losses sustained.

Earnings (Loss) Per Share of Common Stock

Historical net (loss) per common share is computed using the weighted average number of common shares outstanding. Diluted earnings per share (EPS) include additional dilution from common stock equivalents, such as stock issuable pursuant to the exercise of stock options and warrants. Common stock equivalents were not included in the computation of diluted earnings per share when the Company reported a loss because to do so would be antidilutive for periods presented.

The following is a reconciliation of the computation for basic and diluted EPS:

	December 31, 2004	December 31, 2003
Net Loss	$ (3,750)	$ (26,407)
Weighted-average common shares outstanding (Basic)	3,785,183	3,785,183
Weighted-average common stock equivalents:		
Stock options	-	-
Warrants	-	-
Weighted-average common shares outstanding (Diluted)	3,785,183	3,785,183

Options and warrants outstanding to purchase stock were not included in the computation of diluted EPS because inclusion would have been antidilutive.

There are no options and warrants outstanding to purchase stock at December 31, 2004 and 2003.

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ENVIRONMENTAL MONITORING AND TESTING CORPORATION
NOTES TO CONDENSED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2004 AND 2003
(UNAUDITED)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassifications

Certain amounts for the three months ended December 31, 2003 have been reclassified to conform to the presentation of the December 31, 2004 amounts. The reclassifications have no effect on net income for the three months ended December 31, 2003.

NOTE 3 - STOCKHOLDERS' EQUITY (DEFICIT)

On December 3, 2004, the Company increased the authorized number of shares of common stock from 30,000,000 shares to 90,000,000 shares and also changing the par value from $0.01 to $0.001.

As of December 31, 2004, there were 90,000,000 shares authorized and 6,184,000 shares issued and 3,785,183 shares outstanding of the Company's common stock with a par value of $0.001.

Preferred Stock

On December 3, 2004 the Company changed the number of Preferred Stock from one class of stock consisting of 10,000,000 shares with a par value of $0.01 to three separate series of preferred stock and changing the par value to $0.001. They are as follows:

Preferred Stock Series A

990,000 shares with a par value of $0.001 per share, participating, voting and convertible with a liquidation value of $1,000 each.

Preferred Stock Series B

9,000,000 shares with a par value of $0.001 per share, participating; voting and convertible with a liquidation value of $3 each.

Preferred Stock Series C

10,000 shares with a par value of $0.001 per share, with a liquidation value of $10 each.

All preferred stock series A, B and C are convertible to 4,000 common shares as well as 4,000 votes for each share held. In addition, in all cases, the holders of the Preferred Stock C will vote cumulatively at least fifty one percent (51%) of all votes cast regardless of the amount of series C shares issued, at any meeting of shareholders or any major issue put before the Company for voting of shareholders.

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ENVIRONMENTAL MONITORING AND TESTING CORPORATION

NOTES TO CONDENSED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2004 AND 2003
(UNAUDITED)

NOTE 4 - INCOME TAXES

There was no income tax benefit recognized at December 31, 2004 and 2003.

The net deferred tax assets in the accompanying balance sheet include benefit of utilizing net operating losses of approximately $2,068,000 (at December 31, 2004), however due to the uncertainty of utilizing the net operating losses, an offsetting valuation allowance has been established.

NOTE 5 - **COMMITMENT AND CONTINGENCY**

Included in the accounts payable and accrued expenses is an accrual of $3,000 representing the fair market of value of stock to be issued to former directors of the Company.

NOTE 6 - **GOING CONCERN**

As shown in the accompanying condensed financial statements, the Company incurred substantial net losses for the three months ended December 31, 2004 and 2003 and for the years ended September 30, 3004 and 2003, respectively. There is no guarantee whether the Company will be able to generate enough revenue and/or raise capital to support those operations. This raises substantial doubt about the Company's ability to continue as a going concern. Management believes the Company's capital requirement will depend on many factors, including the success of the Company to raise money. The Company continues to search for acquisition candidates to fund operations. The condensed financial statements do not include any adjustments that might result from the outcome of these uncertainties.

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Item 2. Management's Discussion and Analysis or Plan of Operation

Management discussed that there were no sales, operations or income for the quarter ending December 31, 2004. The Company is in the process of reorganizing at the present moment and there are no plans to operate until the reorganization is completed. Management said it is expected that the reorganization will be completed this year.

The following discussion with regard to our financial condition and operating results should be read in conjunction with our financial statements and attached footnotes that are included elsewhere in this Report. Except for the historical information contained in this Report, the discussion contained in this Report contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on our current plans and expectations and involve risks and uncertainties that could cause actual future activities and results of operations to be materially different from those set forth in the forward-looking statements. These statements may be identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "should" or "anticipates" or the negative of these words or similar expressions or by discussions of strategy. Our actual results could differ materially from those discussed in this Report. Important factors that could cause actual results to differ include, among other things, our inability to consummate an acquisition of an operating business on terms favorable to us or, in the event we do consummate the transaction contemplated, our inability to successfully manage and operate the combined business.

INCORPORATION

The Company was incorporated on May 10, 1998, under the laws of the State of Delaware. The business purpose of the Company was originally to engage in environmental monitoring and testing. However, on December 31, 2001, the Company liquidated its operating assets and currently has no operations. The Company has adopted a fiscal year ending September 30.

PLAN OF OPERATION

We intend to devote substantially all of our time identifying a merger or acquisition candidate and consummating a merger or acquisition transaction thereafter. In the event we identify an acceptable merger or acquisition candidate, we intend to effect the transaction utilizing any combination of our common stock, cash on hand, or marketable securities, or other funding sources available to us. Until we identify a suitable merger or acquisition candidate, we intend to offer consulting services to businesses engaged in or otherwise servicing the environmental industry.

FINANCIAL RESULTS FOR THE QUARTER ENDED DECEMBER 31, 2004

As of the date of this Report, we have no operations and are seeking a merger, combination or consolidation with a suitable candidate. As of the date of this Report, we have not identified any such candidate. We do not expect to generate operating revenue or income until such time as we effect a business combination with an operating company. However, in the event we do consummate a merger or an acquisition of an operating company, there can be no assurance that the combined entity will operate profitably.

LIQUIDITY AND CAPITAL RESOURCES

We intend to sell additional marketable securities in the future as market conditions permit and as otherwise allowed by law. We anticipate that the primary use of our working capital will include general and administrative expenses and costs associated with the identification of a merger or acquisition candidate and consummation of a merger or acquisition transaction. We believe that our cash and marketable securities will be sufficient to satisfy or cash expenses for at least the next twelve months.

FUTURE EXPENDITURES

Our future capital expenditures will depend upon our ability to generate revenues or additional investment capital if our revenues are not sufficient. If, and to the extent that we are successful in generating sufficient net revenues or raising investment capital, our future expenditures will be applied towards salaries for additional administrative and executive employees, software upgrades, marketing and advertising expenses and for general working capital purposes.

RECLASSIFICATIONS

Certain amounts for the three months ended December 31, 2003 have been reclassified to conform to the presentation of the December 31, 2004 amounts. The reclassifications have no effect on net income for the three months ended December 31, 2003.

STOCKHOLDERS' EQUITY (DEFICIT)

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COMMITMENT AND CONTINGENCY

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GOING CONCERN

As shown in the accompanying condensed financial statements, the Company incurred substantial net losses for the three months ended December 31, 2004 and 2003 and for the years ended September 30, 3004 and 2003, respectively. There is no guarantee whether the Company will be able to generate enough revenue and/or raise capital to support those operations. This raises substantial doubt about the Company's ability to continue as a going concern. Management believes the Company's capital requirement will depend on many factors, including the success of the Company to raise money. The Company continues to search for acquisition candidates to fund operations. The condensed financial statements do not include any adjustments that might result from the outcome of these uncertainties.

Item 3. Controls and Procedures

The Company carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of December 31, 2004. This evaluation was carried out under the supervision and with the participation of the Company's management, specifically Mr. Dan Lee, the Company's Chief Executive Officer and Chief Financial Officer. Based upon that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective. There have been no significant changes in the Company's internal controls or in other factors, which could significantly affect internal controls subsequent to the date the Company carried out its evaluation.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in Company reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in Company reports filed under the Exchange Act is accumulated and communicated to management, including the Company's Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Part II. OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Submission of Matters to a Vote of Security Holders

None.

Item 5. Other Information

None.

Item 6. Exhibits and Reports on Form 8-K.

None.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Environmental Monitoring & Testing Corporation
(Registrant)

Date: February 28, 2004

By: /s/ Dan Lee
Dan Lee, Chief Executive Officer
and Chief Financial Officer