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Check whether the issuer (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such report(s), and (2) has been subject to such filing requirements for the past 90 days

.YesxNo"

Indicate the number of shares outstanding or each of the issuer's classes of Common Stock as of the close of the period covered by this report.

<u>Class</u>	<u>Outstanding at December 31, 2005</u>
Common	4,644,164

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HYDROMER, INC.

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December 31, 2005

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EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description of Exhibit</u>	
<u>33.1</u>	<u>SEC Section 302 Certification - CEO certification</u>	10
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<u>99.1</u>	<u>Certification of Manfred F. Dyck, Chief Executive Officer, pursuant to 18 U.S.C. Section 1350</u>	12
<u>99.2</u>	<u>Certification of Robert Y. Lee, Chief Financial Officer, pursuant to 18 U.S.C. Section 1350</u>	12



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**HYDROMER, INC. and CONSOLIDATED SUBSIDIARY  
CONSOLIDATED BALANCE SHEETS**

	December 31, <b>2005</b> UNAUDITED	June 30, 2005 AUDITED
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$ 451,883.	\$ 1,376,656..
Short-term investments	397,968.	-
Trade receivables less allowance for doubtful accounts of \$32,753 as of December 31, 2005 and June 30, 2005	987,297.	1,220,258..
Inventory	1,111,337.	1,094,927..
Prepaid expenses	100,670.	126,762..
Deferred tax asset	34,589.	91,989..
Other	47,492.	14,841..
Total Current Assets	3,131,236.	3,925,433..
Property and equipment, net	3,252,116.	3,276,258..
Deferred tax asset, non current	250,000	-
Intangible assets, net	805,247.	780,140..
Goodwill, net	238,172.	238,172..
Total Assets	\$ 7,676,771.	\$ 8,220,003
<b>Liabilities and Stockholders' Equity</b>		
Current Liabilities:		
Accounts payable	\$ 464,964.	\$ 466,993..
Short-term borrowings	284,933.	206,663..
Accrued expenses	194,696.	280,944..
Bonus payable	-	77,267..
Current portion of deferred revenue	188,151.	161,317..
Current portion of mortgage payable	195,805.	178,029..
Income Taxes payable	2,328.	-
Total Current Liabilities	1,330,877.	1,371,213..
Deferred tax liability	243,864.	243,864..
Long-term portion of deferred revenue	139,071.	176,979..
Long-term portion of mortgage payable	2,196,342.	2,295,292..
Total Liabilities	3,910,154.	4,087,348..
Stockholders' Equity		
Preferred stock - no par value, authorized 1,000,000 shares, no shares issued and outstanding	-	-
Common stock - no par value, authorized 15,000,000 shares;		

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as of December 31, 2005, 4,655,081 shares issued and 4,644,164 shares outstanding; as of June 30, 2004, 4,608,904 shares issued and 4,597,987 shares outstanding	<b>3,639,315.</b>	3,631,615..
Contributed capital	<b>577,750.</b>	577,750..
Accumulated deficit	<b>(444,308)</b>	(70,570)..
Treasury stock, 10,917 common shares at cost	<b>(6,140)</b>	(6,140)..
Total Stockholders' Equity	<b>3,766,617.</b>	4,132,655..
Total Liabilities and Stockholders' Equity	<b>\$ 7,676,771.</b>	\$ 8,220,003..

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**HYDROMER, INC. and CONSOLIDATED SUBSIDIARY  
CONSOLIDATED STATEMENTS OF INCOME**

	Three Months Ended December 31,		Six Months Ended December 31,	
	<b>2005</b>	2004	<b>2005</b>	2004
	<b>UNAUDITED</b>	UNAUDITED	<b>UNAUDITED</b>	UNAUDITED
<b>Revenues</b>				
Sale of products	\$ 1,161,379	\$ 1,202,592	\$ 2,216,129	\$ 2,273,755
Service revenues	245,481	303,683	490,764	585,312
Royalties and Contract Revenues	476,272	675,421	1,037,443	1,268,959
<b>Total Revenues</b>	<b>1,883,132</b>	2,181,696	<b>3,744,336</b>	4,128,026
<b>Expenses</b>				
Cost of Sales	803,384	757,406	1,620,732	1,456,163
Operating Expenses	1,242,355	1,302,102	2,624,089	2,579,886
Other Expenses (Benefit)	32,221	25,780	65,784	47,560
Provision for Income Taxes	(66,241)	39,618	(192,531)	11,012
<b>Total Expenses</b>				