

2008 ANNUAL REPORT

The American Association
for Laboratory Accreditation

A2LA



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The American Association
for Laboratory Accreditation

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Message from the Chair

We are very proud to provide you with A2LA's 2008 annual report.

Even given the state of the economy, A2LA experienced growth in 2008, a recognition of the importance and value that users, specifiers and accredited organizations alike place on the accreditations offered by A2LA. By the end of 2008, A2LA had granted 2013 accreditations, and there were 145 applicants in the process of achieving accreditation.

We take pride in providing value-adding services to our customers and continually improving our day-to-day activities. The governance strategy developed under my predecessor has grown to be a living system, ensuring that the Board of Directors governs rather than manages and empowering the President/CEO to creatively do what is necessary within the limitations established by the Board to achieve the Association's Vision and Mission.

Ends Policies have been finessed to focus on fiscal integrity, long-term viability,

quality, value and financial, human and infrastructural resources as the foundations for achieving our Vision of being the premier provider of accreditations accepted everywhere and by everyone. Five dynamic and dedicated Standing Committees assist the Board in its governance. The Business, Technical and Finance Committees continue to be the funnel through which the Board conducts its business and ensures compliance with its own Policies on Board Processes. The Nominating Committee continues its essential role in identifying knowledgeable and motivated candidates to serve on the Board. In 2008, we have also seen the new Audit & Ethics Committee come into its own and take on the crucial role for which it was intended, namely monitoring financial audits and compliance with A2LA's ethics policies.

Although we remain the largest multi-discipline accreditation body in the United States, we continue our march into new realms and our proactive marketing

efforts to enhance the value and acceptance of our programs and internationally recognized accreditations. These efforts ultimately benefit the organizations that choose to seek accreditation from A2LA.

We salute our Association members, accredited and applicant organizations, stakeholders, and assessors for the significant contributions made to our organization in 2008. As always, we count on your support and participation. Finally, we salute our many Association volunteers for their efforts and countless hours spent participating on our Accreditation Council, Criteria Council and technical advisory committees. Their work and devotion form the foundation for our many accreditation programs and are, in many respects, responsible for the premier status that A2LA enjoys.

For the Board of Directors,

Woodward Vogt



Message from the President

Accreditation addresses activities critical to our society. For example, areas such as product quality and safety, environmental protection, and healthcare are underpinned by accreditation. A2LA plays an ever-growing role in these endeavors as the value of accreditation becomes more widely recognized.

As a nationally and internationally recognized accreditation body, A2LA aims to provide the best, world-class service in all of its accreditation programs. Comments from our client feedback system confirm that our assessments and accreditations have added value for our clients. Our focus is on the U.S. market for accreditation which involves users of conformity assessment services. We strive to achieve a high level of trust demanded by these users and accreditation specifiers. They are very important to our success. We must earn their confidence by assuring our accredited clients consistently provide reliable service.

2008 saw significant growth in the use of accreditation by industry and government. We count fourteen new specifiers of ac-

creditation during the year, including the US Consumer Product Safety Commission to support more stringent regulation of children's toys.

We also recorded our 2000th accreditation in our thirtieth year of operation. Despite the collapse of the economy, the number of new applicants (over 200) significantly outpaced expectations (144). By the end of 2008, A2LA has:

- 1,454 testing laboratories accredited
- 530 calibration laboratories accredited
- 17 proficiency testing providers accredited
- 5 reference materials producers accredited
- 4 product certifiers accredited
- 3 inspection bodies accredited
- 145 applicants in the process of accreditation

A2LA's brand is highly respected. We are emulated by our peers. We have every intention of remaining a benchmark for best practice in accreditation. Our main goals are:

- To improve our fundamental processes through an improved client feedback

system, workflow changes, continuing education and training, and web site upgrade;

- To improve our marketing outreach; and
- To provide more informative communications to our members and stakeholders.

I am very happy to salute the excellent team behind A2LA's success: outstanding dedicated staff, first class assessors, technical expert advisors, highly experienced decision makers and a very involved Board of Directors providing the vision and overall governance for a successful association.

Peter S. Unger
President & CEO

Introduction

The **AMERICAN ASSOCIATION FOR LABORATORY ACCREDITATION (A2LA)** is a nonprofit, non-governmental, public service membership society dedicated to the formal recognition of competent laboratories and related activities.

During 2008, A2LA operated the following different types of voluntary accreditation programs to recognize competency in support of assuring the quality of data used in decision-making:

- Accreditation of testing and calibration laboratories (regardless of ownership); the essential requirements are technical competence and compliance with ISO/IEC 17025:2005;

- Accreditation of medical testing laboratories to ISO 15189:2007;
- Accreditation of inspection bodies to ISO/IEC 17020:1998 and ILAC/IAF A4:2004;
- Accreditation of proficiency testing providers to ILAC G-13:2007;
- Accreditation of reference material producers to ISO Guide 34:2000 in combination with ISO/IEC 17025;
- Accreditation of product certification bodies to ISO/IEC Guide 65:1996.

During 2008, A2LA maintained a membership of 414 individuals and organizations. Membership in A2LA is separate and distinct from accreditation. Members elect the Board of Directors, receive dis-

counts on training and accreditation fees and are encouraged to provide input on a variety of national and international activities and initiatives.

Recognition of A2LA accreditation programs comes from organizations around the world with which A2LA has mutual recognition arrangements or other forms of recognition.

A2LA's accreditation programs are described in the paragraphs that follow.

Description of A2LA Accreditation Programs

LABORATORY ACCREDITATION

Laboratory accreditation is that part of the conformity assessment process that recognizes the technical competence of laboratories providing calibration or test data. A2LA accredits all types of laboratories and thus provides one place where a laboratory can achieve accreditation for all of its testing and calibration activities.

A2LA uses ISO/IEC 17025:2005 as the general requirements for accreditation of calibration and testing (with the exception of medical testing) laboratories. A2LA also offers an accreditation program for medical testing laboratories using ISO 15189:2007, Medical Laboratories: Particular Requirements for Quality and Competence. The conditions for accreditation (the laboratory's commitment) and a description of the accreditation process are maintained in A2LA's documents titled General Requirements.

Because of the needs of users (users of accredited laboratories) and specifiers (organizations that require accreditation, including government and private sector), specific technical criteria have been developed to amplify the requirements of the general criteria (ISO/IEC 17025) for several of the programs and fields of testing and calibration.

A separate Scope of Accreditation is given for each field. It lists specific tests, types of tests, or calibrations for which the laboratory has been found competent. For calibration laboratories, scopes of accreditation also include a description of the laboratory's capabilities in terms of measurement parameter, range, best measurement capability expressed as an uncertainty, and technique and/or equipment.

The application for accreditation describes the many technical fields and programs for which a laboratory may apply. These include the programs listed in [Table I](#).

INSPECTION BODY ACCREDITATION

For the purpose of accreditation, inspection is defined as the examination of a product, design, service, process, plant, material, component, or assembly to determine conformity with specific requirements or, on the basis of professional judgment, general requirements. Inspection of processes includes personnel, facilities, technology and methodology that make up the process. The results of inspection may be used to support certification.

A2LA recognizes the close relationship between inspection, sampling, testing and measurement, yet understands that inspection includes a variety of activities not covered in testing laboratory accreditation. Different but related requirements are needed. A2LA is committed to using the latest international standards and so uses as the general requirements for this program ISO/IEC 17020: 1998, General Criteria for the Operation of Various Types of Bodies Performing Inspection. A2LA interpretations of this Standard are taken from the IAF/ILAC-A4: 2004 – Guidance on the Application of ISO/IEC 17020. Added requirements deemed necessary to clarify issues related to the use of the A2LA-Accredited symbol on inspection reports and the relationship of inspections versus tests and measurements that may be involved as part of the inspection process are also included.

Accreditation is based on the assessment of the performance of an inspection body including procedures, staff competence and reporting. It is available to all types of inspection bodies including in-house services. A2LA acknowledges that some user organizations may choose to accept only inspections con-

ducted by third party (independent) bodies. It is up to such organizations to decide which accredited inspection bodies they will accept.

An inspection body can be an organization, or part of an organization, but must be discretely identifiable in order to be accredited. An inspection body engaged in testing, measurement or sampling work may apply for accreditation for its work as a laboratory concurrently with its application for accreditation for inspection, or add some simple tests to its inspection scope.

A2LA welcomes applications for the accreditation of all types of inspection work. The following are examples of work for which accreditation may be sought:

- Agricultural products
- Bulk cargoes (e.g. coal, iron ore, petroleum)
- Cargoes in containers and packages
- Cast products
- Cranes
- Electrical equipment
- Foods
- Forged products
- Mechanical equipment
- Pipelines
- Protective coatings
- Rolled products
- Structures (e.g., concrete, steel, timber)
- Textiles
- Welding
- Gaming equipment

The Asia-Pacific Laboratory Accreditation Cooperation (APLAC) approved A2LA to be a signatory to the APLAC Mutual Recognition Arrangement (MRA) for Inspection Body accreditation in September 2006.

Table I. LABORATORY ACCREDITATION FIELDS AND SPECIAL PROGRAMS

* Fields and special programs with additional requirements beyond ISO/IEC 17025

Acoustics & Vibration Tests involving the measurement of noise emission, noise exposure, sound transmission, sound absorption, and vibration.

Biological Biological, microbiological and biochemical testing and measurement, including examination of foods and pharmaceuticals.

- Food Microbiology *
- Veterinary Diagnostics*
- Anti-Doping *

Calibration * Measurements typically conducted by standards and calibration laboratories for a variety of measurement quantities.

Chemical Chemical analyses and detection including instrumental and automated methods, and associated physical tests on materials and products.

- Animal Drug Testing *
- Coal
- Fertilizers
- Fasteners and Metals
- Paint
- Food Chemistry *
- Veterinary Diagnostics*
- Aerospace
- Anti-Doping *

Construction Materials * Tests to determine the engineering properties of materials and products used in construction.

Electrical Tests of an electrical and electronic nature performed on instruments, equipment, appliances, components, and materials. Includes EMC, CTIA, Specific Absorption Rate (SAR) and Bluetooth testing.

- Automotive EMC *

Environmental * Tests for constituents in various EPA environmental media.

- Air
- Water
- Radon
- Asbestos
- Bioassay
- Solid/Hazardous Wastes
- Environmental Lead (Pb) *
- Underground Storage Tanks (KY & WY) *
- TX Department of Health Indoor Air Quality*

Geotechnical * Tests of soil and rock to provide engineering data.

- Putting Green Materials *

Information Technology * Tests of any aspect of a hardware or software environment.

Mechanical Tests, measurements, and evaluation of physical properties of materials, components, and assemblies.

- Fasteners and Metals
- Paint
- Paper
- Plastics
- Rubber
- Windows and Doors
- Aerospace

Medical * Specific medical laboratory tests on samples from humans. (This program is based on ISO 15189, rather than ISO/IEC 17025.)

Nondestructive * Examination of materials, components, and assemblies to detect discontinuities without damaging the material, component or assembly.

Thermal Tests involving the measurement of fire, heat, flow, temperature, and humidity.

- Fire Testing
- Insulation Performance

PROFICIENCY TESTING PROVIDER ACCREDITATION

Proficiency testing (PT) programs are used by A2LA as part of the laboratory accreditation assessment process to determine the ability of laboratories to perform competently tests or calibrations for which accreditation is held. Proficiency testing programs are also used to monitor accredited laboratories' continuing performance.

The A2LA Accreditation Program for Providers of Proficiency Testing Programs is designed for proficiency testing providers who wish to demonstrate their competence by formal compliance with a set of internationally acceptable requirements for the planning and implementation of proficiency testing programs. The program also provides users of proficiency testing programs (laboratories, accreditation bodies such as



A2LA, technical assessors, etc.) increased confidence that the PT programs being relied upon are being operated competently in accordance with specified technical and management system requirements.

The specific assessment requirements for this program are based on the requirements contained in ILAC G-13: 2007, Requirements for the Competence of Providers of Proficiency Testing. These requirements are based upon ISO Guide 43-1(1997) and on the relevant elements of ISO/IEC 17025:2005 applicable to characterization, homogeneity, and stability testing of proficiency testing materials.

A2LA has also been recognized by the National Environmen-

tal Laboratory Accreditation Program (NELAP) as a proficiency testing oversight body/proficiency testing provider accreditor (PTOB/PTPA). By virtue of this recognition, A2LA is able to conduct assessments to the stringent NELAC requirements and offer accreditation that covers all of the NELAC fields of proficiency testing. The A2LA NELAC PTOB/PTPA Program is based on the following requirements: ISO Guide 34:2000, ISO Guide 43:1997, ISO/IEC 17025:2005, NELAC Chapter 2: 2003, the relevant sections of NELAC Chapter 5: 2003, and the EPA National Standards for Water Proficiency Testing Studies, Criteria Document 1998.

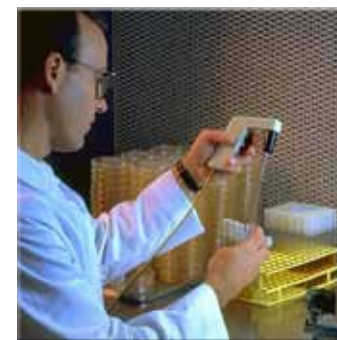
A2LA recommends that wherever possible, A2LA-accredited testing and calibration laboratories use accredited proficiency testing (PT) providers to meet the accreditation requirements for participation in proficiency testing.

REFERENCE MATERIAL PRODUCER ACCREDITATION

The A2LA Accreditation Program for Reference Material Producers is designed for producers of reference materials who wish to demonstrate their competence by formal compliance with a set of internationally recognized criteria. The program will provide users of reference materials, such as testing and calibration laboratories, with increased confidence that the reference materials being relied upon are being produced in accordance with specified technical and management system requirements and are of appropriate quality.

The requirements for this program are based on those contained in ISO Guide 34, General Requirements for the Competence of Reference Material Producers, in combination with ISO/IEC 17025:2005. ISO Guide 34 sets out the general requirements that a reference material producer has to demonstrate that it operates in compliance with, if it is to be recognized as competent to carry out the production of reference materi-

als. It is recognized that each reference material needs to be characterized mainly to the level of accuracy required for its intended purpose (i.e. appropriate measurement uncertainty.)



In December 2007, A2LA was recognized under the APLAC Mutual Recognition Arrangement (MRA) for our Reference Material Producer accreditation program.

PRODUCT CERTIFICATION BODY ACCREDITATION

A2LA recognizes the very close relationship between certification and testing yet understands that certification includes a variety of activities not covered in testing laboratory accreditation. Certification includes the examination of test reports for compliance with specified criteria – both domestic and international. As such, A2LA introduced an accreditation program for product certification bodies in December 2005.

A2LA is recognized by the National Institute for Standards and Technology (NIST) under the National Voluntary Conformity Assessment Systems Evaluation (NVCASE) program for accreditation of telecommunication certification bodies (TCBs) for FCC requirements. Under the Asia-Pacific Economic Cooperation Telecommunications and Information (APEC Tel) Mutual Recognition Arrangement (MRA), NIST is the Designating Authority for the United States.

On January 28, 2003, U.S. and Canadian governments signed an exchange letter to implement Phase-II of the APEC Tel

MRA. Under this MRA, NIST is responsible for qualifying and designating U.S. Conformity Assessment Bodies / Certification Bodies (CABs/CBs). According to Phase-II of the MRA, U.S. CABs/CBs must be accredited to ISO/IEC Guide 65 and the specific APEC economy's technical requirements. Industry Canada (IC) is the regulatory authority in Canada for telecommunications equipment.

In October 2003, the governments of the United States and Singapore signed exchange letters to implement Phase-II of the APEC Tel MRA. IDA is the Regulatory Authority in Singapore for telecommunications equipment.

This recognition by NIST expands the A2LA goal of one accreditation accepted everywhere. A2LA ISO/IEC 17025 accredited testing laboratories that are also ISO/IEC Guide 65 accredited Product Certification Bodies now have the choice of having both accreditations accomplished with one assessment from one accredita-

tion body. Organizations exercising this option can reduce cost and time expended during the on-site accreditation process.

A certification body may apply for accreditation separately or, if they are also engaged in testing, measurement or sampling work, they may apply for accreditation for this work concurrent with their application for accreditation of their certification activities.

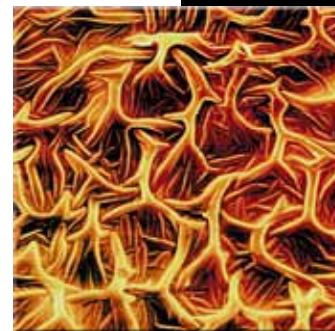
The general criteria for A2LA accreditation of product certification bodies are contained in ISO/IEC Guide 65:1996, General Requirements for Bodies Operating Product Certification Systems. Additional criteria may be needed depending on particular user needs (e.g. FCC).

A2LA accreditation attests that a product certification body has demonstrated:

- that it is competent to perform specific product certifications or specific types of product certifications;

- that its management system is documented, is fully operational, and addresses and conforms to all elements of ISO/IEC Guide 65:1996;
- that it is operating in accordance with the required management system; and
- that it conforms to any additional requirements established by A2LA.

Accreditation is based on A2LA's assessment of a product certification body's performance including procedures, staff competence and reporting. It is available to all certification bodies including in-house services.



Accreditation Activity

At the end of 2008, A2LA had 2,013 organizations accredited in 48 states, Aruba, Australia, Brazil, Canada, Cayman Islands BWI, Ecuador, Egypt, France, Germany, Guatemala, Honduras, Hong Kong, India, Israel, Italy, Japan, Kazakhstan, Korea, Kuwait, Malaysia, Mexico, the Netherlands, Philippines, Republic of China, Qatar, Saudi Arabia, Singapore, South Korea, Switzerland, Taiwan, Thailand, Trinidad & Tobago

and the United Kingdom, an increase of 4.2% over 2007. During this same period, 93 accreditations were withdrawn. A comparison of laboratories accredited to ISO/IEC 17025 in various fields of testing and calibration with previous years is shown in Table 2a. Table 2b shows the number of organizations accredited in A2LA's additional accreditation programs in 2008.

The number of entities enrolled has shown a net increase of 116 (2,042 at the end of 2007; 2,158 at the end of 2008). For the year, a total of 210 new applications for accreditation were received and 145 entities were in the process of becoming accredited at year's end.

Table 2a.

Field of Testing	A&V	Bio	Cal	Chem	CMT	Ele	Env	Geo	Mech	NDT	Ther	IT	Total
Dec 31, 2008	20	106	530	284	76	210	39	39	643	19	6	11	1983
Dec 31, 2007	22	95	504	270	72	200	41	37	638	18	7	5	1909
Dec 31, 2006	23	87	482	250	70	198	39	36	648	19	7	-	1859
Dec 31, 2005	21	70	453	235	70	189	40	36	652	19	8	-	1793
Dec 31, 2004	22	59	422	231	73	160	48	35	641	24	8	-	1723
Dec 31, 2003	22	44	379	216	74	157	50	34	646	23	6	-	1651
Dec 31, 2002	21	37	356	207	72	146	59	35	648	23	8	-	1612
Dec 31, 2001	23	35	292	211	83	124	72	34	669	19	11	-	1573
Dec 31, 2000	20	26	180	219	82	126	90	34	690	12	12	-	1491
Dec 31, 1999	17	23	91	212	80	102	93	35	667	16	12	-	1348
Dec 31, 1998	13	19	42	204	80	83	98	34	598	16	8	-	1195
Dec 31, 1997	11	7	12	185	75	63	122	32	457	15	8	-	987

Table 2b.

Accreditation Program	Medical Laboratories	Proficiency Testing Providers	Reference Material Producers	Inspection Bodies	Product Certification Bodies	TOTAL
as of Dec 31, 2008	1	17	5	3	4	30

Details about tests, types of tests, calibrations or specific activities included in an organization's accreditation are identified in a Scope of Accreditation and can be obtained by visiting our website (www.A2LA.org) or contacting A2LA.

An organization may be competent to perform activities other than those listed on its scope or may not perform them exactly as written for some customers. The organization and its customer must agree on the procedure to be used. If an organization presents data on a report

or certificate carrying an "A2LA Accredited" symbol, however, that data must be as a result of using a method identified in the scope as stated. Data resulting from an unaccredited method and reported on an endorsed report must be clearly identified as such.

Assessors

Assessor selection is based on confirmation of the assessor's technical expertise, successful completion of the training process, and continued satisfactory performance of assessments. The key requirement is knowledge of the technology in the areas the assessors will be assessing. All assessors are required to pass the five-day A2LA assessor orientation course that includes instruction on ISO/IEC 17025 and on A2LA's policies and procedures for performing assessments.

A2LA lead assessors must be approved by the A2LA Vice President/COO on a yearly basis. The names of new lead assessors are submitted to the Vice President/COO once

they have successfully passed the staff evaluation to conduct the technical and management system portions of the on-site assessment. Returning assessors must also be evaluated on a regular basis. There were more than 100 contracted assessors in 2008.

15 additional new assessors were initiated into the assessor training program, 14 of whom successfully completed the A2LA assessor evaluation process and were approved as lead assessors by the end of 2008. Over 100 names of additional testing and calibration experts are on file as potential assessors.

More than 100 assessors attended the annual Assessor Conclave in Columbia, Maryland to discuss issues affecting accreditation and to develop policies to further consistency and uniformity in assessments. Measurement uncertainty, traceability, and proficiency testing were the main topics of discussion. The A2LA Accreditation Council and Criteria Council also met and various technical advisory committee meetings were held. Training sessions to orient new assessors and to update assessors within the proficiency testing provider and the product certification body accreditation programs were held.

Training and Seminars

Training course enrollment was very strong in 2008.

The following classes were offered publicly in 2008:

- ISO/IEC 17025 and Accreditation
- Introduction to Measurement Uncertainty
- Assessment of Laboratory Competence

In addition to the public offerings, A2LA sponsored many in-house courses to satisfy the needs of our larger laboratory clients.

International Activities

Internationally, A2LA continues to participate in the activities of the International Laboratory Accreditation Cooperation (ILAC) and associated regional bodies. In 2000, A2LA signed the International Laboratory Cooperation (ILAC) Mutual Recognition Arrangement (MRA) between 36 accreditation bodies from 28 economies worldwide. Since then, additional accreditation bodies from other economies joined the MRA. Established in 1977, ILAC is the premier international forum for the harmonization of laboratory accreditation procedures and policies as a means of reducing technical barriers to trade and the promotion of laboratory accreditation as a mechanism to enhance confidence in testing and calibration facilities, both domestically and internationally.

Other international cooperation arrangements in effect during 2008 included the MRA with the Asia Pacific Laboratory Accreditation Cooperation (APLAC), the bilateral agreement with the European Cooperation for

Laboratory Accreditation (EA) MRA members and the multi-lateral agreement with the Inter-American Accreditation Cooperation (IAAC). Information about the international accreditation systems with whom A2LA has a valid agreement as of February 28, 2009 is presented in Appendix A of this Annual Report. Copies of the MRAs are available upon request. A2LA will testify to the competence of each accreditation system with whom it has an MRA and attest to the fact that they follow the recognized norm for operating such systems, ISO/IEC 17011, and use ISO/IEC 17025 as the basis for the accreditation of laboratories. Up-to-date information on cooperating laboratory accreditation systems can be obtained by visiting our website or contacting A2LA Headquarters.

Staff members from A2LA continue to hold key leadership positions in ILAC, APLAC and IAAC. Peter Unger, A2LA President/CEO, was re-elected in October 2008 as ILAC Vice Chair for the term 2009-10.

Mr. Unger serves as Technical Advisor to the Executive Committee of the Inter-American Accreditation Cooperation (IAAC). Roxanne Robinson, A2LA Vice President/COO, serves as an evaluation manager for regions and individual accreditation bodies under the ILAC arrangement and is recognized as a lead evaluator for ILAC, APLAC and IAAC. Ms. Robinson is co-chair of the ILAC/IAF joint working group on the A series documents and convenor of the ILAC working group on revision to the P series documents. She is also a member of the APLAC Board of Management. Trace McInturff, A2LA Operations Manager, is a recognized lead evaluator for APLAC and IAAC, serves as Chair of the APLAC Technical Committee, and is active on the ILAC Accreditation Issues Committee (AIC), the ILAC Proficiency Testing Consultative Group (PTCG) and the ILAC/World Anti-Doping Association (WADA) Accreditation Committee.



National Activities

Standardization activities in accreditation and conformity assessment remain a high priority for the Association. In addition to its ISO standards activities, A2LA participates on ASTM Committee E36 on Conformity Assessment. The Committee is involved in accreditation and inspection standardization activities that A2LA con-

siders important to support. Staff members are also involved in numerous ASTM, ANSI and NCSL International committees related to technical and accreditation issues.

A2LA staff's commitment to serving on these and numerous other committees en-

ables the Association to provide insight on conformity assessment activities, as well as to garner knowledge from the given industry groups. This provides us with a better understanding of the needs of our stakeholders and accredited entities.

Recognition of A2LA Programs

Recognition of A2LA programs includes formal written agreements between A2LA and users of accredited laboratories, officially documented endorsements of A2LA programs, and informal acceptance between A2LA and various parties. Below are listed the Federal agencies, State agencies, and private sector parties with whom A2LA has some type of formal written agreement of recognition or documented endorsement in 2008.

■ The Environmental Protection Agency's (EPA) Office of Pollution Prevention and Toxics (OPPT) formally recognizes A2LA as a laboratory accreditation body working in cooperation with the EPA National Lead (Pb) Laboratory Accreditation Program (NLLAP) to accredit lead (Pb) testing laboratories. Laboratories seeking

to be listed on the NLLAP approved list must comply with the additional Environmental Lead (Pb) Program Requirements.

■ The U.S. Federal Aviation Administration recognizes A2LA as an "evaluation authority" as specified in ASTM C1077 "Standard Practice for Laboratories Testing Concrete and Concrete Aggregates for Use in Construction and Criteria for Laboratory Evaluation", Sections. 3.1.1.1 and 11, and as a "national authority" as specified in ASTM D3666, "Standard Specification for Minimum Requirements for Agencies Testing and Inspecting Road and Paving Materials", Section 8.1.5, Note 8.

■ The U.S. Federal Communications Commission (FCC) requires that manufacturers and suppliers of personal computers

and computer peripherals who intend to use a "Declaration of Conformity" on their products must have the products tested by an accredited Electromagnetic Compatibility (EMC) laboratory. A2LA is one of the approved accreditation bodies under this program. Laboratories seeking to be accepted by the FCC by virtue of their A2LA Electrical (EMC) accreditation must also meet the technical requirements contained in FCC Parts 15 & 18 and 47 CFR Parts 2 & 15.

■ The Naval Sea Systems Command (NAVSEA) and A2LA have signed a formal Memorandum of Understanding (MOU) recognizing the equivalence of A2LA and the Naval Shipyard Laboratory Accreditation Program (NSLAP) and agreeing to accept data from laboratories accredited in





either system. This program is open only to government facilities accredited in the environmental field of testing.

■ The National Institute of Standards and Technology (NIST) has formally

recognized A2LA as competent to accredit testing laboratories to meet the technical requirements for acceptance by European Union Member State Governments under the EMC Annex of the U.S. - EU Mutual Recognition Agreement. NIST has also recognized A2LA as an authorized body under the provisions of Phase I of the Asia Pacific Economic Cooperation (APEC) MRA.

■ The National Institute of Standards and Technology (NIST) has formally recognized A2LA as competent to accredit product certification bodies for telecommunication equipment. The scope of recognition includes:

- a. United States: Federal Communication Commission's Telecommunication Certification Body (TCB) Program as described in FCC Report & Order 98-338 (GEN Docket 98-68), Public Notice DA 99 1640, and the FCC TCB Roles and Responsibilities document.
- b. Canada: Industry Canada (IC) requirements as described in CB-02, CB-03, and REC-CB documents under APEC TEL MRA Phase II.
- c. Singapore: Info-communications Development Authority (IDA) requirements as described in IDA MRA REC SCHEME document under APEC TEL MRA Phase II.

d. Hong Kong: Office of the Telecommunications Authority (OFTA) requirements as described in OFTA MRA 001 and OFTA MRA 002 documents under APEC TEL MRA Phase II.

■ The National Environmental Laboratory Accreditation Program (NELAP) has recognized A2LA as a proficiency testing oversight body/proficiency testing provider accreditor (PTOB/PTPA). By virtue of this recognition, A2LA is able to conduct assessments to the stringent NELAC requirements and offer accreditation that covers all of the NELAC fields of proficiency testing.

■ The Office of Nuclear Reactor Regulation, in a letter and attached safety evaluation report (SER) issued to the Arizona Public Service Company, approved a requested change to the quality assurance (QA) program of the Palo Verde Nuclear Generating Station Units 1, 2 and 3. The change provides for acceptance of A2LA accreditation to ISO/IEC 17025 as a means of qualifying calibration laboratories to provide commercial-grade calibration services to the Palo Verde Nuclear Generating Station. The accreditation process is accepted in lieu of a supplier audit, commercial-grade survey, or in-process surveillance.

■ The U.S. Consumer Product Safety Commission (CPSC) published notices in the Federal Register regarding accreditation requirements for third party laboratories that are testing in conformance with the Consumer Product Safety Improvement Act (CPSIA) of 2008 for lead in paint, cribs, pacifiers, small parts, and children's jewelry. According to these publications and the CPSIA, all products currently subject to the lead in paint regulation at 16 CFR 1303, all cribs subject either to 16 CFR 1508 or 1509, all pacifiers subject to 16 CFR 1511, small parts subject to 16 CFR 1501, and

children's jewelry subject to the 600 ppm and 300 ppm lead content limits, must be tested by a laboratory accredited to ISO/IEC 17025 by an accreditation body (such as A2LA) who is a signatory to the ILAC Mutual Recognition Arrangement (ILAC MRA).

■ The U.S. Navy has placed wording within their NAVAIRINST 2400.20 Instruction to ensure that MIL-STD-461 Electromagnetic Interference (EMI) qualification testing is conducted by public or private laboratories accredited to ISO/IEC 17025. The instruction further specifies that the accreditation of such a testing laboratory shall be issued by an accreditation body that operates in accordance with ISO/IEC 17011 and that is an ILAC MRA signatory (such as A2LA).

■ The U.S. Navy has entered into a Navy Calibration Cooperative Agreement with A2LA. Under this agreement, the Navy approves and accepts accreditations from calibration laboratory accreditation bodies headquartered in the U.S. and recognized by a laboratory accreditation cooperation such as APLAC and ILAC. A2LA is recognized by and is a signatory to both APLAC and ILAC.



Florida

The State of Florida Building Commission has formally recognized A2LA accredited laboratories as meeting the requirements for testing laboratories that conduct tests on products related to its system for product approval under Florida building code. The system is meant to

ensure that safe products and technologies are used in building construction and also to encourage new products and technologies that can increase safety or meet safety requirements through less expensive means. Criteria has been established for approval of public and private entities that test, evaluate and certify panel walls, exterior doors, roofing products, skylights, windows, shutters and structural components as well as new and innovative building products. This approval may be obtained through either local jurisdictions for local approvals or the Florida Building Commission for state-wide approval.

Georgia

A formal Memorandum of Understanding (MOU) establishes an agreement between the Georgia Environmental Protection Division (EPD) and A2LA. The purpose of this MOU is to formally recognize A2LA as a laboratory-accrediting agency for commercial laboratories, accredited by A2LA for environmental tests, to be recognized as approved under the EPD's Rules for Commercial Environmental Laboratories.

Kentucky

Under Kentucky statute KRS 224.60-130(2)(a), the Office of the Petroleum Storage Tank Environmental Assurance Fund has established criteria to accredit laboratories that contract with owners or operators of underground storage tanks (UST) to perform analytical testing related to Kentucky's underground storage tank program. All UST owners and operators are required to have certain types of analytical testing performed at an A2LA accredited laboratory to be eligible for Fund participation, pursuant to statute 415 KAR 1:140. This program covers certain parameters and methods as noted in the specific program requirements and falls under

A2LA's Environmental program. This program was initiated in 1999.

New Mexico

A formal Memorandum of Understanding (MOU) establishes an agreement between the New Mexico Environment Department and A2LA whereby the State of New Mexico will certify laboratories to perform compliance testing for drinking water samples based on the laboratories' A2LA accreditation.

Texas

The Texas Department of Health now recognizes accreditations granted by A2LA to laboratories performing preparation and analysis of mold associated with mold-related activities that affect indoor air quality.

City of Houston

In Standard General Requirement Section 01454, the City of Houston specifies that laboratories testing to the latest issues of ASTM standards, TxDOT methods or other recognized test standards must be accredited by A2LA.

Harris County, Texas

The Harris County Public Infrastructure Department, Engineering Division has published its "Regulations of Harris County, Texas for the Approval and Acceptance of Infrastructure", which specifies in Section 2 that laboratories accredited by A2LA in the field of construction materials testing are acceptable for the purposes of meeting the published regulations.

Washington

The State of Washington Department of Ecology references A2LA in its Procedural Manual as an acceptable third party accreditation program for non-potable water testing laboratories.

Wyoming

Wyoming Department of Environmental Quality, Water Quality Division (WDEQ/WQD) Leaking Aboveground and Underground Storage Tank (LAUST) Program Policy Number 35 requires that laboratories performing work for the program must be A2LA accredited under the "Wyoming LAUST Remediation Program". The scope of the program covers specific EPA methods for laboratories that are registered with the State of Wyoming and authorized to do business in Wyoming. To be certified by the LAUST Remediation Program to perform analytical testing related to the program, laboratories must provide evidence of their current accreditation from A2LA to the WDEQ/WQD.

Automotive Industry

■ A2LA has signed an MRA with the "Big Three" for administration of an Automotive EMC laboratory accreditation program. Laboratories seeking to be recognized under this program in the Electrical field of testing must meet the additional program requirements of the Automotive EMC Program Requirements.

■ A2LA's Calibration Accreditation Program has been recognized within TS 16949 (Section 7.6.3) as one option that commercial and independent calibration facilities serving the automotive industry can select in order to satisfy the portion of Clause 4.11.2.b.1 which requires accreditation of calibration facilities serving the automotive industry.



United States Golf Association

A2LA's Putting Green Materials Testing Program for soils and turf is formally recognized by the United States Golf Association (USGA)



Safety Equipment Institute (SEI)

SEI administers third-party certification programs to test and certify a broad range of safety and protective products. Safety and protective products certified by SEI must periodically

undergo compliance testing to specified standards at independent testing laboratories that have been evaluated and awarded contracts by the SEI Board of Directors. In an effort to minimize redundant assessments, SEI has agreed to rely on the laboratories' A2LA assessments in place of SEI evaluations. The agreement between A2LA and SEI was signed on May 7, 2002. SEI is accredited to ISO/IEC Guide 65: 1996 by the American National Standards Institute (ANSI) and the Standards Council of Canada (SCC).

Bluetooth

A2LA has signed an MOU with the Bluetooth Special Interest Group (SIG). Bluetooth has established a qualification program to test and qualify products using Bluetooth wireless technology to be certified as Bluetooth compliant pursuant to the specifications for such products as determined by Bluetooth. As part of the qualification program and according to the Bluetooth Qualification Program Reference Document, the

Bluetooth Qualification Review Board (BQRB) administers the recognition of facilities as Bluetooth Qualification Test Facilities (BQTF's), based on accreditation by A2LA. Laboratories seeking to be recognized under this program in the Electrical field of testing must meet the additional program requirements of the Bluetooth SIG.

Cellular Telephone and Internet Association (CTIA)

A2LA is recognized by the Cellular Telephone and Internet Association (CTIA) to provide laboratory accreditation services in support of CTIA's certification program to verify conformance of wireless products to established industry standards.

Southern Bell Corporation (SBC)

SBC has issued SBC-TP-76200 Network Equipment Power, Grounding, Environmental and Physical Design Requirements, Issue 5, which formally recognizes A2LA for the ISO/IEC 17025 accreditation of Network Equipment Building Systems (NEBS) testing laboratories.

Aerospace Industry

■ Boeing: Boeing's document, D1-4426 (NADCAP Information Revision FF released 12/4/07 and subsequent Revision FM released 6/2/08) under the heading "Exceptions When NADCAP Accreditation is Not Required" states: "NADCAP accreditation for MTL is not required for companies holding ILAC recognized accreditations for the applicable test methods."

■ General Electric (GE): With the incorporation of ISO 17025 in S-400, GE allows more flexibility in the approval process. Subsequent to initial approval by GE, a laboratory can get recertified for GE work by (1) a GE

on site audit, (2) a SNECMA or AIRBUS audit, (3) an ISO 17025 performed per GE additional requirements by NADCAP recognized accreditors, e.g., A2LA, etc., or (4) a PRI-NADCAP audit.

■ Hamilton Sundstrand: Has made a formal announcement to waive their NADCAP mandate for material test labs accredited by A2LA.

■ Pratt & Whitney: Has made a formal announcement to waive their NADCAP mandate for material test labs accredited by A2LA.

■ Sikorsky: Sikorsky's Approved Source List (ASL) contains a statement recognizing A2LA as an alternative to NADCAP. The A2LA accreditation covers eleven specific testing disciplines along with the general requirements of ISO/IEC 17025 for testing and calibration laboratories. Special Process Laboratory Suppliers designated by Approved Source List Note 7, may now use the A2LA accreditation as a direct substitute to NADCAP certification.



Board of Directors

The Association is managed by its Board of Directors (BOD). The 2008 Officers and BOD included:

EXECUTIVE COMMITTEE:

CHAIRMAN: J. Trevor Boyce, *Microbac Laboratories, Inc.*

PAST CHAIRMAN: William G. Kavanagh, *SAIC*

FIRST VICE CHAIRMAN: James Galipeau, *Plastics Technology Labs, Inc.*

SECOND VICE CHAIRMAN: Robert Whitehead, *ChemWare, Inc.*

SECRETARY: Nancy Foncannon, *Quality Systems Consulting, Inc.*

TREASURER: Lance Hoboy, *ABET, Inc.*

CHAIRMAN, CRITERIA COUNCIL: Kenneth Stoub, *Group Seven Environmental Services, Inc.*

CHAIRMAN, ACCREDITATION COUNCIL: Alex Klein, *ArcelorMittal*

MEMBERS:

Francis Azzarto, *General Electric Aircraft Engines*

Keith Bennett, *Transcat*

G. Robert Brammer, *Brammer Standard Company, Inc.*

Edward Colbert, *Bayer Material Science*

Carroll Davis, *Alcoa Technical Center*

Arlene Fox, *AOAC International*

Michael Kesselmayr, *Professional Service Industries, Inc.*

Paul Moliski, *Intertek*

R. Dan Reid, *GM Powertrain*

Dilip Shah, *E=MC3 Solutions*

Woodward Vogt, *Paradigm Consultants, Inc.*

Chuck Wibby, *Wibby Environmental*

Herbert Wilgis, *Consultant*

LIAISON MEMBERS OF THE BOARD:

Daniel Becker, *Sikorsky Aircraft*

Charles Pixley, *USDA FSIS LQAD*

George Salem, *FDA*

COUNSEL:

James Hostetler



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(as of December 31, 2008)

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Accreditation Council

The Accreditation Council is appointed by the President/CEO and, at the end of the year, consisted of 60 people. This Council reviews and takes final action, subject to the rights to appeal otherwise provided for in the Bylaws, on accreditation applications to the Association or to revoke accreditation once granted. All decisions relating to accreditation or revoking accreditation must be approved by 2/3 of those voting on the Accreditation Council. At the end of 2008, the Accreditation Council members included:

Chairman: Alex Klein, *ArcelorMittal* **Vice Chairman:** Stephen L. Kaiser, *Pro Mix Technologies*

Members:

Mohamed Abdalla, *Consultant*

John Adams, *Consultant*

John Ball, *John Ball Consulting*

Doug Berg, *Consultant*

Andrew Blackwood, Ph.D., *Structure Probe, Inc.*

Chuck Blank, *Consultant*

Peter Boers, *Consultant*

Tiffany Brigner, *Colorado Department of Agriculture*

H. Bruce Brummel, P.E., Ph.D., *The Rise Group LLC*

Shuya Chang, Ph.D., *ExxonMobil Chemical*

Henry Chernow, *Consultant*

Terry Combs, *Consultant*

Doug Cowles, *Consultant*

Thomas Dickten, *Consultant*

William Dingeldein, *Consultant*

Tom Doggart, *Consultant*

Kingsley Drake, *Consultant*

Robert Drobish, *Consultant*

Karen Dunning, *Consultant*

Frank Durham, *Consultant*

Howard Elbaum, *Consultant*

David Evanson, *Consultant*

Darla Ewalt, *Consultant*

Karen Fanwick, *Purdue University Student Hospital*

Fred Fetterolf, *FETTCO NDE Services*

Nancy Foncannon, *Quality Systems Consulting, Inc.*

Sue Lin Fung, *Consultant*

Jesus Garcia, *Consultant*

Mark Gerfin, *Consultant*

Gregory Gogates, *Fasor Technical Services, Inc.*

Amanda Gordon, *EG&G Technical Services, Inc.*

Larry Gradin, *Integrity Solutions Group, Inc.*

Anne Gray, *Consultant*

Frank Hagan, *Consultant*

Bradley Harper, *Pathology Consultants*

Carl Hayden, *Quality System Management, Inc.*

Robert Holcombe, *Consultant*

Jason Holliday, Ph.D., *Consultant*

Mitchell Jacobs, *MSi Testing and Engineering*

Jerry Johnson, *Consultant*

William Johnson, *Consultant*

Ray Kletke, *Consultant*

Doug Lentz, *Consultant*

John Lynch, *Consultant*

Dennis McCully, *Consultant*

Sean McLean, *Instrumentation Laboratories*

Michael Masciantonio, *Bayer Material Science*

Shawn Mason, *Consultant*

Dawn Mettler, *Rockbridge Laboratory Services*

David Miller, *Consultant*

Charles Mlodzik, *Consultant*

Harry Moody, *Consultant*

John Murphy, *Consultant*

Benoit Nadeau, *Consultant*

William Peverill, *Consultant*

Larry Presley, *National Medical Services*

George Purvis, *QC Laboratories, Inc.*

Pat Royal, *Quality Systems Consultants, Inc.*

Gary Scalise, *Consultant*

Werner Schaefer, *Schaefer Associates*

Raymond Schiltz, Jr., Ph.D., *Engineering Matters, Inc.*

James Scott, *Scott Consulting Services*

Dan Sigouin, *Consultant*

Thomas Smith, *Consultant*

William Sorrells, *Consultant*

Bradley Stawick, *Stawick Laboratory Management, LLC*

Steven Steiro, *Consultant*

Phillip Stoll, *P.A. Stoll Consulting*

Mike Suraci, *Consultant*

Harry Taylor, *Administrative Consultants Pathology*

Donald Waddington, *Consultant*

David Waitt, *Consultant*

Susanne Wood, *Consultant*

Gene Zerlaut, *SC-International Inc.*

Niel Zuern, *Consultant*

Criteria Council

The Criteria Council is appointed by the President/CEO and includes at least one person having particular expertise or qualifications for each field of testing/calibration in which the Association is offering accreditation. The Council shall act to define the fields of testing/calibration in which the Association shall grant accreditation and approve general and specific criteria for each of the fields of testing. The 2008 Criteria Council members included:

Chairman: Kenneth Stoub, *Group Seven Environmental Services, Inc.* **Vice Chairman:** David MacLean, Ph.D., *Consultant*
Daniel Becker, *Sikorsky Aircraft*

Cathy Burns, *Food and Drug Administration*
Gary Cornell, *Consultant*
Doug Cowles, *Consultant*
Howard Elbaum, *Consultant*
Dean Flinchbaugh, *Consultant*
Arlene Fox, *AOAC International*
Amanda Gordon, *EG&G Technical Services, Inc.*
Charles Gortakowski, *Consultant*
Jeff Gust, *Consultant*

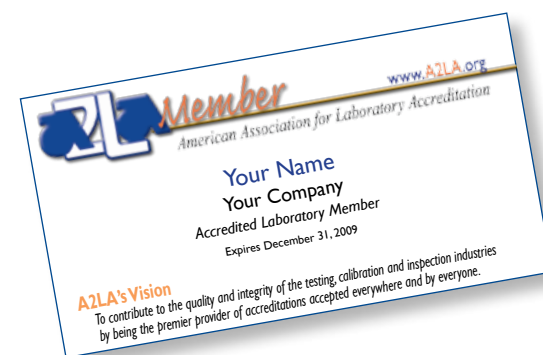
Klaus Jaeger, *Jaeger Enterprises*
Alex Klein, *ArcelorMittal*
Albert Liabastre, *Consultant*
John Lynch, *Consultant*
Dawn Mettler, *Rockbridge Laboratory Services*
Deborah Miller, *Consultant*
Mitzi Miller, *Environmental Quality Management*
Benoit Nadeau, *Consultant*
Tim Osborne, *Dynamic Technology, Inc.*

Charles Pixley, *USDA FSIS LQAD*
George Riley, *DNA Consulting Associates*
Pat Royal, *Quality Systems Consultants, Inc.*
Werner Schaefer, *Schaefer Associates*
Ray Schiltz, *Engineering Matters, Inc.*
Tom Smith, *Consultant*
John Wehrmeyer, *Quality Consultants of NY*
Neal Zuern, *Consultant*

Membership in the Association

As of December 31, 2008, the membership in the Association was as follows:

Honorary Members	12
AC Honorary Members	75
Individual Members	195
Institutional Members	12
Organizational Members	120
(Organizational Members of Commercial Accredited Labs	77)
TOTAL MEMBERS:	414



Financial Summary

A comparison of the total revenue and support plus investment income less expenses resulting in a change in net assets (in \$000s) for the years ended at December 31st since 1998 is shown below.

* Includes investment income or loss.

Year	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Total Revenue & Support *	\$9,074	8,600	\$8,780	\$7,939	\$7,795	\$7,056	\$6,980	\$6,542	\$6,685	\$5,349	\$4,340
Total Expense	\$9,688	8,746	\$8,486	\$7,678	\$7,218	\$6,713	\$6,814	\$6,370	\$6,232	\$5,109	\$4,431
Change in Net Assets	\$(614)	\$(146)	\$294	\$261	\$577	\$343	\$166	\$172	\$453	\$240	\$(91)



Appendix A, A2LA 2008 Annual Report

INTERNATIONAL MUTUAL RECOGNITION (APLAC)

The Asia Pacific Laboratory Accreditation Cooperation (APLAC)

Mutual Recognition Arrangement (MRA)

On November 19, 1997, A2LA signed the Asia Pacific Laboratory Accreditation Cooperation (APLAC) mutual recognition arrangement.

The arrangement is intended to facilitate the acceptance of test and calibration data with a number of Asia-Pacific countries whose national accreditation bodies have signed the APLAC arrangement. APLAC promotes the recognition and acceptance in all the signatory countries of certificates and reports issued by organizations accredited by national accreditation bodies that have signed the arrangement.

By signing the arrangement, the signatory accreditation bodies commit to promoting acceptance of the test reports/calibration reports issued by the laboratories accredited by the signatory accreditation bodies. However, accreditation bodies cannot guarantee acceptance by their stakeholders. As such, one of A2LA's primary functions is to assist A2LA-accredited laboratories in gaining acceptance of their data in the countries of the APLAC arrangement signatories.

Likewise, A2LA is committed to helping laboratories accredited by the APLAC arrangement signatories obtain acceptance in the United States.

Through the APLAC MRA evaluation process, a uniform level of competence of the accredited bodies is assured, and the need for multiple assessments is diminished or eliminated. Ideally, a supplier would only need one certificate or report to satisfy the entire Asia-Pacific market and all governments.

Signatories to the APLAC MRA (as well as their Scope of Recognition) as of February 28, 2009 include:

- NATA - Australia (testing, calibration, inspection, RMP)
- SCC - Canada (testing, calibration)
- CALA - Canada (testing)
- CNAS - People's Republic of China (testing, calibration, inspection, ISO 15189, RMP)
- HKAS - Hong Kong China (testing, calibration, ISO 15189, inspection)
- NABL - India (testing, calibration)
- KAN - Indonesia (testing, calibration, inspection)
- JAB - Japan (testing, calibration, ISO 15189)
- IAJapan - Japan (testing, calibration, RMP)
- VLAC - Japan (testing)
- KOLAS - Republic of Korea (testing, calibration)
- Standards Malaysia - Malaysia (testing, calibration, ISO 15189)
- ema - Mexico (testing, calibration, ISO 15189, inspection)
- PAO - Philippines (testing, calibration)
- IANZ - New Zealand (testing, calibration, ISO 15189, inspection)
- SAC - Singapore (testing, calibration, ISO 15189, inspection)
- TAF - Chinese Taipei (testing, calibration, ISO 15189, inspection)
- DMSc - Thailand (testing, ISO 15189)
- DSS - Thailand (testing)
- TLAS - Thailand (testing, calibration)
- A2LA - USA (testing, calibration, inspection, RMP)
- ACLASS - USA (testing, calibration)
- IAS - USA (testing, calibration, inspection)
- LAB - USA (testing, calibration)
- NVLAP - USA (testing, calibration)
- PJLA - USA (testing)
- BOA - Vietnam (testing, calibration, inspection)
- JAS-ANZ - Australasia (inspection)

A2LA staff is able to provide specific details regarding the names and contact information for the accreditation body in a specific country/economy listed above.

INTERNATIONAL MUTUAL RECOGNITION (EA)

The European cooperation for Accreditation (EA) Mutual Recognition Agreement (MRA)

On September 21, 1999 A2LA signed a bilateral mutual recognition agreement with the European cooperation for Accreditation (EA).

The agreement is intended to facilitate the acceptance of test and calibration data with a number of European countries whose national accreditation bodies have signed the EA Agreement. EA promotes the recognition and acceptance in all the signatory countries of certificates and reports issued by organizations accredited by national accreditation bodies who have signed the agreement.

By signing the agreement, the signatory accreditation bodies commit to promoting acceptance of the test reports/calibration reports issued by the laboratories accredited by the signatory accreditation bodies. However, accreditation bodies cannot guarantee acceptance by their stakeholders. As such, one of A2LA's primary functions is to assist A2LA-accredited laboratories in gaining acceptance of their data in the countries of the EA agreement signatories. Likewise, A2LA is committed to helping laboratories accredited by the EA agreement signatories obtain acceptance in the United States.

Through the EA MRA evaluation process, a uniform level of competence of the accredited bodies is assured, and the need for multiple assessments is diminished or eliminated. Ideally, a supplier would only need one certificate or report to satisfy the entire European market and all governments.

There are a number of different areas within the EA agreement, including testing laboratories, calibration laboratories, certification bodies (products, quality systems, personnel, environmental management systems) and inspection bodies. The bilateral agreement signed between A2LA and EA Multi-Lateral Agreement (MLA) signatories is for testing and calibration laboratories as outlined below (as of February 28, 2009):

EA MLA SIGNATORIES (For Testing)

BMwA (Austria)	SINAL (Italy)
BELAC (Belgium)	LA (Lithuania)
CAI (Czech Republic)	RvA (Netherlands)
DANAK (Denmark)	NA (Norway)
FINAS (Finland)	PCA (Poland)
COFRAC (France)	SNAS (Slovakia)
DACH (Germany)	ENAC (Spain)
DAP (Germany)	SWEDAC (Sweden)
TGA (Germany)	SAS (Switzerland)
IPAC (Portugal)	UKAS (U.K)
INAB (Ireland)	LATAK (Latvia)
EAK (Estonia)	ESYD (Greece)
RENAR (Romania)	SA (Slovenia)
TURKAK (Turkey)	NAB (Malta)

EA MLA SIGNATORIES (For Calibration)

BMwA (Austria)	LA (Lithuania)
BELAC (Belgium)	RvA (Netherlands)
CAI (Czech Republic)	NA (Norway)
DANAK (Denmark)	PCA (Poland)
FINAS (Finland)	SNAS (Slovakia)
COFRAC (France)	ENAC (Spain)
DKD (Germany)	SWEDAC (Sweden)
SIT (Italy)	SAS (Switzerland)
INAB (Ireland)	UKAS (U.K)
LATAK (Latvia)	EAK (Estonia)
ESYD (Greece)	IPAC (Portugal)
SA (Slovenia)	

EA has also established Bi-Lateral Agreements for testing and calibration with (in addition to A2LA):

NATA (Australia)	IANZ (New Zealand)
SANAS (South Africa)	SAC/SPRING (Singapore)
HKAS (China)	INMETRO (Brazil)
ISRAC (Israel)	TUNAC (Tunisia)

A2LA staff is able to provide specific details regarding the names and contact information for the accreditation body in a specific country/economy listed above.

INTERNATIONAL MUTUAL RECOGNITION (ILAC)

The International Laboratory Accreditation Cooperation (ILAC)

Mutual Recognition Agreement (MRA)

On November 2, 2000, A2LA signed the mutual recognition arrangement with the International Laboratory Accreditation Cooperation (ILAC). The Arrangement was signed in Washington, D.C. at the General Assembly of the International Laboratory Accreditation Cooperation (ILAC) and entered into force on January 31, 2001. More than 30 accreditation bodies from 26 economies signed the arrangements. Since then, additional accreditation bodies have become signatories.

A cornerstone of the ILAC MRA is the utilization of existing or developing regional arrangements established in the Americas (IAAC), the Asia-Pacific region (APLAC), Europe (EA) and Southern Africa. The bodies participating in these regional arrangements are responsible for maintaining the necessary confidence in the competence of their member accreditation bodies that are signatories to the new ILAC Arrangement.

By signing the ILAC MRA, the signatory accreditation bodies commit to promoting acceptance of the test reports/calibration reports issued by the laboratories accredited by the signatory accreditation bodies.

As of February 28, 2009, the following accreditation bodies were signatories to the ILAC MRA for testing and calibration (unless otherwise noted):

OAA (Argentina)
NATA (Australia)
BMW A (Austria)
BELAC (Belgium)
CGCRE/INMETRO (Brazil)
SCC (Canada)
CALA (Canada) – testing only
CNAS (PRC)
ECA (Costa Rica) – testing only
ONARC (Cuba)
CAI (Czech. Rep.)
DANAK (Denmark)
NLAB (Egypt)
FINAS (Finland)
COFRAC (France)
DAP (Germany) – testing only
DACH (Germany) – testing only
DKD (Germany) – calibration only
DATech (Germany) – testing only
ESYD (Greece)
OGA (Guatemala) – testing only
HKAS (Hong Kong)
NABL (India)
KAN (Indonesia)
INAB (Ireland)
SINAL (Italy) – testing only
SIT (Italy) – calibration only
ISRAC (Israel)
JAB (Japan)
IAJapan (Japan)
VLAC (Japan) – testing only
KOLAS (Rep. of Korea)
DSM (Malaysia)

EMA (Mexico)
RvA (The Netherlands)
IANZ (New Zealand)
NA (Norway)
PAO (Phillipines)
PCA (Poland)
IPAC (Portugal)
RENAR (Romania) – testing only
SAC (Singapore)
SNAS (Slovakia)
SA (Slovenia)
SANAS (South Africa)
ENAC (Spain)
SWEDAC (Sweden)
SAS (Switzerland)
TAF (Chinese Taipei)
TISI (Thailand)
BLQS-DMSc (Thailand) – testing only
BLA-DSS (Thailand) – testing only
TUNAC (Tunisia)
TURKAK (Turkey)
UKAS (United Kingdom)
A2LA (USA)
IAS (USA)
NVLAP (USA)
ACLASS (USA)
LAB (USA)
PJLA (USA) – testing only
BoA (Vietnam)

A2LA staff is able to provide specific details regarding the names and contact information for the accreditation body in a specific country/economy listed above.

INTERNATIONAL MUTUAL RECOGNITION (IAAC)

The Inter-American Accreditation Cooperation (IAAC)

Multi-Lateral Arrangement (MLA)

On October 24, 2002, A2LA, INMETRO (Brazil) and SCC (Canada) signed the Inter-American Accreditation Cooperation (IAAC) multi-lateral arrangement.

The IAAC is an association of accreditation bodies and other organizations interested in conformity assessment in the Americas. As of February 28, 2009 signatories to the IAAC MLA for testing and calibration (unless otherwise noted) are:

A2LA (United States)

OAA (Argentina)

INMETRO (Brazil)

ema (Mexico)

SCC (Canada)

ACCLASS (USA)

ECA (Costa Rica) – testing only

ONARC (Cuba)

OGA (Guatemala) – testing only

ASCLD/LAB (USA) – testing only

By signing the arrangement, all six organizations agree to formally recognize and promote the equivalency of each other's laboratory accreditations.

Appendix B, A2LA 2008 Annual Report



AMERICAN ASSOCIATION FOR LABORATORY ACCREDITATION

Financial Statements

For the years ended December 31, 2008 and 2007



**and
Report Thereon**





CONSULTING
ACCOUNTING
TECHNOLOGY

*Certified Public
Accountants*

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
American Association for Laboratory Accreditation

We have audited the accompanying statements of financial position of the American Association for Laboratory Accreditation (A2LA) as of December 31, 2008 and 2007 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of A2LA's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 our audits provide 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 A2LA as of December 31, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules of functional expenses for the years ended December 31, 2008 and 2007 on pages 39 and 40 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



RAFFA, P.C.

Washington, DC
March 31, 2009

AMERICAN ASSOCIATION FOR LABORATORY ACCREDITATION

STATEMENTS OF FINANCIAL POSITION

December 31, 2008 and 2007

	2008	2007
ASSETS		
Cash and cash equivalents	\$429,951	\$808,902
Accounts receivable, net	803,129	680,926
Note receivable	21,507	-
Prepaid expenses	15,399	67,998
Travel advances	10,952	8,821
Investments	2,201,306	2,766,139
Furniture and equipment, net	338,557	136,829
Cash surrender value of life insurance	32,591	58,218
Security deposits	16,258	12,123
TOTAL ASSETS	\$3,869,650	\$4,539,956
LIABILITIES AND NET ASSETS		
Accounts payable	\$176,013	\$273,411
Accrued expenses	258,056	221,913
Refundable advances	882,005	1,045,630
Deferred lease incentive	151,920	-
Deferred membership dues	45,220	28,410
TOTAL LIABILITIES	1,513,214	1,569,364
Net Assets		
Unrestricted	2,356,436	2,970,592
TOTAL LIABILITIES AND NET ASSETS	3,869,650	\$4,539,956

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

AMERICAN ASSOCIATION FOR LABORATORY ACCREDITATION

STATEMENTS OF ACTIVITIES

For the years ended December 31, 2008 and 2007

	2008	2007
REVENUE AND SUPPORT		
Assessment income	\$6,762,142	\$5,729,413
Accreditation	2,599,473	2,303,041
A2LA public training	375,575	362,345
Membership	27,040	26,930
Agreements	13,590	33,114
Miscellaneous	2,812	6,321
TOTAL REVENUE AND SUPPORT	9,780,632	8,461,164
EXPENSES		
Program Services		
Accreditations and assessment costs	8,791,900	7,770,718
A2LA Public Training	319,171	302,861
Medical accreditation program	164,184	267,986
Agreements	33,779	53,482
Membership	26,843	19,786
Total Program Services	9,335,877	8,414,833
Support Services		
Management and general	352,343	331,042
TOTAL EXPENSES	9,688,220	8,745,875
Change in Unrestricted Net Assets from Operations	92,412	(284,711)
Investment income (losses), net of fees	(706,568)	138,163
Change in Unrestricted Net Assets	(614,156)	(146,548)
UNRESTRICTED NET ASSETS, BEGINNING OF YEAR	2,970,592	3,117,140
UNRESTRICTED NET ASSETS, END OF YEAR	\$2,356,436	\$2,970,592

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

AMERICAN ASSOCIATION FOR LABORATORY ACCREDITATION

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2008 and 2007

Increase (Decrease) in Cash and Cash Equivalents

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (614,156)	\$ (146,548)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	100,339	68,080
Unrealized losses on investments	720,863	140,608
Realized losses (gains) on investments	78,971	(136,957)
Amortization of lease incentive	(20,530)	-
Loss on disposal of furniture and equipment	-	1,093
Changes in assets and liabilities		
Accounts receivable	(122,203)	112,729
Notes receivable	(21,507)	816
Prepaid expenses	52,599	52,974
Travel advances	(2,131)	(3,951)
Cash surrender value of life insurance	25,627	(10,936)
Security deposits	(4,135)	-
Accounts payable	(97,398)	(74,962)
Accrued expenses	36,143	23,481
Deferred membership dues	16,810	1,620
Refundable advances	(163,625)	224,759
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(14,333)	252,806
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(1,288,075)	(1,401,111)
Proceeds from sales of investments	1,053,074	1,364,975
Acquisition of furniture and equipment	(129,617)	(62,628)
NET CASH USED IN INVESTING ACTIVITIES	(364,618)	(98,764)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(378,951)	154,042
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	808,902	654,860
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 429,951	\$ 808,902
NON CASH INVESTING AND FINANCE ACTIVITIES		
Lease incentives	\$ 172,450	\$ -
Deferred lease incentives	\$ (172,450)	\$ -
	\$ -	\$ -

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

AMERICAN ASSOCIATION FOR LABORATORY ACCREDITATION

NOTES TO FINANCIAL STATEMENTS

For the years ended December 31, 2008 and 2007

I. Organization and Summary of Significant Accounting Policies

Organization

The American Association for Laboratory Accreditation (A2LA) is a nonprofit organization organized and operated under Section 501(c)(3) of the Internal Revenue Code. A2LA promotes scientific research and testing for public safety in all classes of technology by accrediting laboratories and otherwise furthering scientific research and testing for public interest and welfare. The activities of A2LA are funded primarily through program service revenue.

Basis of Accounting

The financial statements of A2LA are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Consequently, revenue is recognized when earned and expenses when the obligations are incurred.

Cash and Cash Equivalents

For purposes of the statement of cash flows, A2LA considers all demand deposits and money market accounts to be cash equivalents.

Investments

Investments are comprised of equity and fixed income mutual funds and certificates of deposit and are carried at fair value based on quoted market prices.

Furniture, Equipment and Related Depreciation

Furniture and equipment are stated at cost. Depreciation is provided using the straight-line method over estimated useful lives of three to ten years, with no salvage value. Expenditures for major repairs and improvements are capitalized; expenditures for minor repairs and maintenance costs are expensed as incurred. Upon the retirement or disposal of assets, the resulting gain or loss is included in revenue or expense.

Classification of Net Assets

Unrestricted net assets represent the portion of expendable funds that are available for A2LA's operations.

Revenue Recognition

A2LA receives application fees to initiate the accreditation and reaccreditation process. It is A2LA's policy that in the event an applicant withdraws their application for accreditation or reaccreditation before the completion of the assessment process, they may apply for a refund of 50% of the annual fee, and all of the assessor deposits less all costs incurred to date in the assessment process. The application fee is nonrefundable. The annual fee and assessor deposits held are not to be used for any other purposes.

(Continued)

AMERICAN ASSOCIATION FOR LABORATORY ACCREDITATION

NOTES TO FINANCIAL STATEMENTS

For the years ended December 31, 2008 and 2007

Therefore, half of the annual fee is recorded as revenue upon its receipt by A2LA while the remaining half is recorded as a refundable advance until the completion of the assessment process. Assessor deposits are deferred until the assessment is complete. At that time, the assessor deposit is recognized as revenue. When assessor expenses exceed the deposits received, the applicant is invoiced and this amount is included in accounts receivable in the accompanying statement of financial position. If the deposits received exceed assessor expenses, they are included in accounts payable in the accompanying statement of financial position until a refund is made to the applicant. The daily assessment rate is the same as in 2007.

Membership dues are recorded as revenue on the day the membership period commences. Any membership dues received prior to the commencement are recorded as deferred membership dues.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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.

2. Accounts Receivable

Accounts receivable as of December 31, 2008 and 2007, were comprised of the following:

	2008	2007
Accreditation	\$ 799,029	\$ 657,266
Training	12,184	31,449
Agreements	2,227	238
Total	813,440	688,953
Less: Allowance for doubtful accounts	(10,311)	(8,027)
Accounts receivable, net	<u>\$803,129</u>	<u>\$680,926</u>

(Continued)

AMERICAN ASSOCIATION FOR LABORATORY ACCREDITATION

NOTES TO FINANCIAL STATEMENTS

For the years ended December 31, 2008 and 2007

3. Investments

Investments as of December 31, 2008 and 2007 were comprised of the following:

	2008		2007	
	Cost	Fair Value	Cost	Fair Value
Equity mutual fund	\$2,088,524	\$1,447,797	\$1,574,320	\$1,649,202
Certificates of deposit	480,966	486,630	362,000	357,526
Bond mutual fund	281,443	266,879	754,164	759,411
Total	\$2,850,933	\$2,201,306	\$2,690,484	\$2,766,139

Investment income for the years ended December 31, 2008 and 2007 is summarized as follows:

	2008	2007
Unrealized gains (losses)	\$(720,863)	\$(140,608)
Interest and dividend income	107,559	157,410
Realized gains (losses)	(78,971)	136,957
Total	(692,275)	153,759
Investment management fees	(14,293)	(15,596)
Investment income (loss), net of fees	\$(706,568)	\$138,163

Included in investment income is interest earned on cash and cash equivalents for the years ended December 31, 2008 and 2007 of \$5,380 and \$9,115, respectively.

(Continued)

AMERICAN ASSOCIATION FOR LABORATORY ACCREDITATION

NOTES TO FINANCIAL STATEMENTS

For the years ended December 31, 2008 and 2007

4. Furniture, Equipment and Accumulated Depreciation and Amortization

A2LA held the following furniture and equipment as of December 31, 2008 and 2007:

	2008	2007
Furniture and fixtures	\$306,127	\$227,481
Computer equipment	241,492	209,540
Leasehold improvements	189,457	—
Total furniture and equipment	737,076	437,021
Less: accumulated depreciation and amortization	(398,519)	(300,192)
Net furniture and equipment	<u>\$338,557</u>	<u>\$136,829</u>

5. Risks and Commitments

Operating Leases

On February 22, 2008, A2LA entered into a new seven year non-cancellable lease for its existing office space. Under the terms of the new lease, the lease commencement date is February 26, 2008. On the first day of the second year of the lease, and on the anniversary date of the each new lease year, the rent will be adjusted to reflect the annual percentage change in the Consumer Price Index provided, however, that the increase shall not be less than 3.5% and not be greater than 6.5%. The landlord has also provided \$172,450 in tenant improvements in connection with the execution of the new lease. Tenant improvement allowance of \$172,450 has been capitalized as property and equipment and is being amortized on a straight line basis over the term of the lease. The tenant improvement allowance was presented as lease incentive in the accompanying statement of financial position and will be recognized on a straight line basis over the lease term.

A2LA also leases office equipment under non-cancelable operating lease agreements expiring from November 2007 to October 2012.

Total expense under all operating leases for the years ended December 31, 2008 and 2007 was \$273,659 and \$207,048, respectively.

(Continued)

AMERICAN ASSOCIATION FOR LABORATORY ACCREDITATION

NOTES TO FINANCIAL STATEMENTS

For the years ended December 31, 2008 and 2007

As of December 31, 2008, future minimum lease payments required under these operating leases are as follows:

<u>For the Year Ending December 31,</u>	
2009	\$286,122
2010	296,137
2011	306,502
2012	317,229
2013 and thereafter	<u>725,114</u>
Total	<u>\$1,931,104</u>

Concentration of Risk

A2LA's cash is comprised of an amount held in one financial institution. While the amount at times exceeds the amount guaranteed by Federal agencies and therefore bears some risk, A2LA has not experienced nor does it anticipate any loss of funds. The amount in excess of the Federal Deposit Insurance Corporation (FDIC) limit of \$250,000 and \$100,000 as of December 31, 2008 and 2007, respectively, were \$64,454 and \$79,246.

Line of Credit

A2LA has entered into an unsecured line of credit agreement with a bank for \$250,000, which expires May 30, 2009. Amounts drawn on this line accrue interest at the prime rate, which at December 31, 2008 and 2007 were 4.401% and 7.725%, respectively. There are no amounts outstanding under the line of credit as of December 31, 2008 and 2007.

6. Cash Surrender Value of Life Insurance

A2LA maintains a supplemental retirement program for a key executive, which is funded through a split-dollar life insurance policy that is owned by the executive and paid for by A2LA. Currently the cumulative premiums payments approximate the cash surrender value of the policy and will remain an asset of A2LA until the executive reaches the age of 65.

7. Pension Plan

A2LA has a defined contribution pension plan under Internal Revenue Code Section 403(b) covering substantially all of its employees. The plan is currently funded by both employer and employee contributions. All contributions are used to purchase tax-deferred annuities and are fully vested in the event of withdrawal from the plan. The employer contributes 10% of eligible employees' base salary to the plan annually. Total contributions made to the plan during the years ended December 31, 2008 and 2007 were \$225,582 and \$211,162, respectively.

(Continued)

AMERICAN ASSOCIATION FOR LABORATORY ACCREDITATION

NOTES TO FINANCIAL STATEMENTS

For the years ended December 31, 2008 and 2007

8. Income Taxes

Under Section 501(c)(3) of the Internal Revenue Code, A2LA is a nonprofit scientific organization and is exempt from federal taxes on income other than net unrelated business income. No provision for federal or state income taxes is required as of December 31, 2008 and 2007 as A2LA had no taxable net unrelated business income.

In December 2008, the Financial Accounting Standards Board issued FASB Staff Position (FSP) FIN 48-3, *Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises*. FSP FIN 48-3 permits an entity within its scope to defer the effective date of FASB Interpretation 48 (Interpretation 48), *Accounting for Uncertainty in Income Taxes*, to its annual financial statements for fiscal years beginning after December 15, 2008. A2LA has elected to defer the application of Interpretation 48 for the year ending December 31, 2008. A2LA evaluates its uncertain tax positions using the provisions of FASB Statement 5, *Accounting for Contingencies*. Accordingly, a loss contingency is recognized when it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. The amount recognized is subject to estimate and management judgment with respect to the likely outcome of each uncertain tax position. The amount that is ultimately sustained for an individual uncertain tax position or for all uncertain tax positions in the aggregate could differ from the amount recognized.

9. Fair Value Measurements

On January 1, 2008, A2LA adopted the provisions of Financial Accounting Standards No. 157, *Fair Value Measurement* (SFAS 157) for financial assets and financial liabilities defined in Financial Accounting Standards No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities* (SFAS 159). SFAS 157 defines fair value, establishes a framework for measuring fair value and expands disclosure about fair value measurements.

Under SFAS 157, fair value is determined using assumptions that market participants would use to determine the price of the asset or liability as opposed to measurements determined based upon information specific to the entity holding those assets and liabilities. To determine those market participant assumptions, SFAS 157 established a hierarchy of inputs that the entity must consider including both independent market data inputs and the entities own assumptions about the market participant assumptions. This hierarchy is summarized as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities

Level 2 – Directly or indirectly observable inputs, other than quoted prices included in Level 1. Level 2 inputs may include, among others, interest rates and yield curves observable at commonly quoted intervals, volatilities, loss severities, credit risks and other inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Unobservable inputs used when there is little, if any, market activity for the asset or liability at the measurement date. These inputs represent the entity's own assumptions about the assumptions that market participants would use to price the asset or liability developed using the best information available.

(Continued)

AMERICAN ASSOCIATION FOR LABORATORY ACCREDITATION

NOTES TO FINANCIAL STATEMENTS

For the years ended December 31, 2008 and 2007

The following table summarizes A2LA's assets measured at fair value on a recurring basis as of December 31, 2008, aggregated by the fair value hierarchy level within which those measurements were made (in thousands).

	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Investments	<u>\$2,201,306</u>	<u>\$2,201,306</u>	<u>\$ -</u>	<u>\$ -</u>
Total fair value of financial assets	<u><u>\$2,201,306</u></u>	<u><u>\$2,201,306</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

10. Reclassifications

Certain amounts for 2007 have been reclassified to conform to the 2008 presentation.

11. Subsequent Events

Subsequent to December 31, 2008, continued volatility and declines in the financial and credit markets, both U.S. and internationally, have affected the assets of A2LA. Specifically, the fair value of investments held by A2LA at December 31, 2008 has further declined. Management continues to closely monitor related events and make appropriate adjustments, if any, to its investment portfolio and operations accordingly.

Supplemental Information

AMERICAN ASSOCIATION FOR LABORATORY ACCREDITATION
SCHEDULE OF FUNCTIONAL EXPENSES
For the years ended December 31, 2008

	Program Services					Total Program Services	Management and General	2008 Total
	Accreditations and Assessment Costs	Training	Medical Accreditation Program	Agreements	Membership			
Assessor and auditor expenses	\$ 4,611,565	\$ -	\$ -	\$ 12,190	\$ -	\$ 4,623,755	\$ -	\$ 4,623,755
Salaries and benefits	1,642,265	34,163	38,813	4,223	12,282	1,731,746	1,394,040	3,125,786
Rent	-	-	-	-	-	-	273,659	273,659
Marketing	194,059	-	40,920	-	-	234,979	-	234,979
A2LA public training expense	-	233,488	-	-	-	233,488	-	233,488
Technical support	188,676	-	25,094	4,800	-	218,570	-	218,570
Conclave expense	151,206	-	7,105	-	569	158,880	-	158,880
Office expense	-	-	4,803	-	66	4,869	123,132	128,001
Depreciation	-	-	-	-	-	-	100,339	100,339
Travel	-	-	199	-	-	199	75,505	75,704
Telecommunications	-	-	-	-	-	-	72,231	72,231
Accounting	-	-	-	-	-	-	63,090	63,090
Printing and duplication	-	-	-	-	-	-	50,554	50,554
Credit card fees	42,747	6,698	-	-	561	50,006	410	50,416
Postage	-	-	-	-	-	-	47,717	47,717
Recognition expense	44,246	-	-	-	-	44,246	-	44,246
Insurance	-	-	-	-	-	-	33,831	33,831
A2LA staff billable	15,533	7,214	-	8,815	-	31,562	-	31,562
Legal	-	-	-	-	-	-	28,124	28,124
Temporary help	-	-	-	-	-	-	23,490	23,490
Board activities	-	-	-	-	-	-	21,278	21,278
Freight and delivery	-	-	-	-	-	-	17,228	17,228
A2LA staff training expense	-	-	-	-	-	-	13,384	13,384
Miscellaneous	-	-	-	-	-	-	7,762	7,762
NVCASE Evaluation Expense	6,000	-	-	-	-	6,000	-	6,000
Bad debt expense	-	-	-	-	-	-	3,197	3,197
Equipment Verification	708	-	-	-	-	708	-	708
Foreign Income Tax Withheld	241	-	-	-	-	241	-	241
Management and general allocation	1,894,654	37,608	47,250	3,751	13,365	1,996,628	(1,996,628)	-
TOTAL EXPENSES	\$ 8,791,900	\$ 319,171	\$ 164,184	\$ 33,779	\$ 26,843	\$ 9,335,877	\$ 352,343	\$ 9,688,220

AMERICAN ASSOCIATION FOR LABORATORY ACCREDITATION
SCHEDULE OF FUNCTIONAL EXPENSES
For the years ended December 31, 2007

	Program Services					Total Program Services	Management and General	2007 Total
	Accreditations and Assessment Costs	Training	Medical Accreditation Program	Agreements	Membership			
Assessor and auditor expenses	\$ 3,914,502	\$ -	\$ 7,633	\$ 6,385	\$ -	\$ 3,928,520	\$ -	\$ 3,928,520
Salaries and benefits	1,500,449	33,234	66,651	4,152	5,222	1,609,708	1,328,101	2,937,809
Marketing	216,224	-	65,658	-	-	281,882	-	281,882
A2LA public training expense	-	222,813	-	-	-	222,813	-	222,813
Rent	-	-	-	-	-	-	207,408	207,408
Conclave expense	159,323	-	27,749	-	-	187,072	1,361	188,433
Technical support	119,625	-	14,196	19,893	-	153,714	-	153,714
Office expense	-	-	2,023	-	7,243	9,266	94,273	103,539
Accounting	-	-	-	-	-	-	101,945	101,945
Travel	-	-	1,918	-	-	1,918	88,547	90,465
Telecommunications	-	-	-	-	-	-	63,513	89,758
Depreciation	-	-	-	-	-	-	68,080	68,080
Postage	-	-	-	-	-	-	46,377	46,377
Printing and duplication	-	-	-	-	-	-	46,240	46,240
Credit card fees	38,569	4,845	-	-	353	43,767	165	43,932
Recognition expense	41,410	-	-	-	-	41,410	-	41,410
Legal	-	-	-	-	-	-	32,112	32,112
Insurance	-	-	-	-	-	-	28,607	28,607
A2LA staff billable	3,433	4,565	-	17,449	-	25,447	-	25,447
Board activities	-	-	-	-	-	-	25,299	25,299
Freight and delivery	-	-	-	-	-	-	17,856	17,856
A2LA staff training expense	-	-	385	-	-	385	17,189	17,574
Temporary help	-	-	-	-	-	-	43,581	17,336
Bad debt expense	4,833	750	-	-	-	5,583	1,456	7,039
Equipment Verification	6,953	-	-	-	-	6,953	-	6,953
NVCASE Evaluation Expense	2,559	-	-	-	-	2,559	-	2,559
Miscellaneous	-	-	618	-	-	618	12,150	12,768
Management and general allocation	1,762,838	36,654	81,155	5,603	6,968	1,893,218	(1,893,218)	-
TOTAL EXPENSES	\$ 7,770,718	\$ 302,861	\$ 267,986	\$ 53,482	\$ 19,786	\$ 8,414,833	\$ 331,042	\$ 8,745,875



The American Association
for Laboratory Accreditation

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