

**DeKalb Chamber of Commerce, Inc
and
DeKalb Chamber Foundation, Inc.**

**Auditor's Report & Consolidated Financial
Statements**

**For the Year Ended
December 31, 2007**

DeKalb Chamber of Commerce, Inc.
and
DeKalb Chamber Foundation, Inc.

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Board of Directors
DeKalb Chamber of Commerce

We have audited the accompanying consolidated statement of financial position of the DeKalb Chamber of Commerce, Inc. and the DeKalb Chamber Foundation, Inc. (non-profit organizations) as of December 31, 2007, and the related consolidated statements of activities and cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the DeKalb Chamber of Commerce, Inc. as of December 31, 2007, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Joe W. Kilpatrick, CPA, PC
July 21, 2008

DeKalb Chamber of Commerce, Inc
Consolidated Statement of Financial Position
December 31, 2007

	2007
ASSETS	
Current Assets:	
Cash, including certificates of deposit	\$ 72,062
Grant Receivable	<u>3,500</u>
Total Current Assets	\$ 75,562
Property and Equipment, Net (NOTE 2)	18,213
Deposits	<u>2,815</u>
TOTAL ASSETS	<u><u>\$ 96,590</u></u>
LIABILITIES AND NET ASSETS	
Current Liabilities:	
Accounts Payable	\$ 25,256
Other Accrued Liabilities	4,800
Current Portion of Long Term Debt (NOTE 4)	4,019
Due to DeKalb County (NOTE 3)	<u>23,116</u>
TOTAL LIABILITIES, All Current	\$ 57,191
Net Assets:	
Unrestricted Net Assets	<u>\$ 39,399</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 96,590</u></u>

See Independent Auditor's Report and Accompanying Consolidated Notes to the Financial Statements.

DeKalb Chamber of Commerce, Inc
Consolidated Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2007

	<u>2007</u>	<u>Unrestricted</u>
REVENUES		
Membership Dues	\$ 343,736	
Event Revenues	105,292	
Grant Income	29,500	
Other Income	<u>19,973</u>	
Total Revenues	498,501	
EXPENSES (See Statement of Functional Expenses)		
Membership Development	172,908	
Event Expenses	152,589	
Management & General	<u>132,047</u>	
Total Expenses	<u>457,544</u>	
CHANGE IN NET ASSETS	40,957	
NET ASSETS - Beginning of Year	<u>(1,558)</u>	
NET ASSETS - End of Year	<u>\$ 39,399</u>	

See Independent Auditor's Report and Accompanying Consolidated Notes to the Financial Statements

DeKalb Chamber of Commerce, Inc
Consolidated Statement of Cash Flows
For the Year Ended December 31, 2007

	2007
Operating Activities:	
Change in Net Assets	\$ 40,957
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation - an expense not requiring cash	5,877
Increase in grants receivable	(3,500)
Increase in prepaid expenses and other assets	(2,815)
Decrease in accounts payable and accrued payroll taxes	(12,839)
Increase in payable for agency transactions	18,921
Net Cash Provided by Operating Activities	46,601
Investing Activities:	
Purchase of Fixed Assets	(1,248)
Net Cash Used in Investing Activities	(1,248)
Financing Activities:	
Payments on Decatur First Bank Note	(5,095)
Net Cash Used in Financing Activities	(5,095)
Net Increase in Cash and Cash Equivalents	40,258
Cash and Cash Equivalents - Beginning of Year	31,804
Cash and Cash Equivalents - End of Year	\$ 72,062

See Independent Auditor's Report and Accompanying Consolidated Notes to the Financial Statements.

DeKalb County Chamber of Commerce, Inc.
Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2007

	Event Expense	Support Services			Total Expenses
		Management & General	Membership Development	Total	
Event Expense	64,192	-	-	-	64,192
Salaries	64,318	56,305	73,195	129,500	193,818
Commissions	-	-	72,327	72,327	72,327
Rent	14,418	12,622	16,408	29,030	43,448
Insurance and Taxes	-	2,499	-	2,499	2,499
Postage	1,217	1,065	1,384	2,449	3,666
Telephone & Internet	6,694	5,860	7,619	13,479	20,173
Copier and Equipment Expenses	-	20,733	-	20,733	20,733
Supplies	-	3,928	-	3,928	3,928
Travel, Meetings and Training	1,750	14,623	-	14,623	16,373
Miscellaneous	-	4,477	-	4,477	4,477
Moving Expense	-	4,058	-	4,058	4,058
Advertising	-	-	1,975	1,975	1,975
Depreciation	-	5,877	-	5,877	5,877
TOTAL	\$ 152,589	\$ 132,047	\$ 172,908	\$ 304,955	\$ 457,544

See Independent Auditor's Report and Accompanying Notes to the Financial Statements.

DeKalb Chamber of Commerce, Inc

Notes to the Consolidated Financial Statements

December 31, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Principles of Consolidation:

The accompanying financial statements reflect the consolidated financial statements of the DeKalb Chamber of Commerce, Inc. (the Chamber) and the DeKalb Chamber Foundation, Inc (the Foundation). The Chamber and the Foundation share common members of the board of directors. The Chamber and the Foundation also share common facilities and personnel. Material interorganizational transactions and balances have been eliminated.

Organization and Nature of Activities:

The Chamber is a not-for-profit organization and is exempt from federal income tax under Section 501(c)(6). The Chamber is a volunteer organization of business and professional people with a mission to market DeKalb County and stimulate viable economic growth within DeKalb County by: identifying and involving creative business leadership for positive community action; coordinating the efforts of community-based organizations in support of a positive business environment; encouraging efficient and effective government at the local, state and federal levels; and stimulating business membership and involvement in the DeKalb Chamber to promote an outstanding reputation and quality of life for DeKalb County businesses and residents. The Chamber collects membership dues and sponsors events and programs that support its mission.

The Foundation is a not-for-profit organization exempt from federal income tax under Section 501(c)(3). The Foundation aims of advancement and diffusion of knowledge and understanding of economics, matters of public concern, finance, education and training, housing, human relations, problems of minority groups, science and technology, economic learning and development, international relations, and other subjects related to improved efficiency, development, and acceleration of both the quality and quantity of economic growth and employment opportunities through: the undertaking of studies and research, compilation of the results, and publication thereof through any appropriate media; the conduct of training courses, seminars, discussion groups, forums, panels, or lectures, and the like; any activity which tends to promote understanding, unification or improved relationships between different economic or ethnic groups. The Foundation receives contributions from members of the Chamber and support from other philanthropic organizations.

DeKalb Chamber of Commerce, Inc

Notes to the Consolidated Financial Statements

December 31, 2007

NOTE 1 – CONTINUED:

Basis of Accounting:

The Chamber prepares its financial statements on the accrual basis of accounting. All significant assets, liabilities, income, and expenses are recorded when an event or obligation occurs rather than when cash is received or disbursed.

Basis of Presentation:

The Chamber presents its financial statements in the format prescribed by the Financial Accounting Standards Board in its pronouncements about accounting for not-for-profit organizations. The Chamber is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Chamber has no temporarily restricted or permanently restricted net assets.

Use of Estimates:

The preparation of financial statements in conformity with U. S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. The values of in-kind contributions of property and services are significant estimates as well as the allocation of indirect costs among the programs and supporting services benefited.

Cash and Cash Equivalents:

Cash and cash equivalents include all monies in banks and liquid investments with original maturity dates of less than three months.

Property and Equipment:

The Chamber capitalizes all acquisitions of property and equipment in excess of \$500. Property and equipment are stated at cost or, if donated, at the approximate fair value at the date of donation. Management computes depreciation expense using the straight-line method over the estimated useful lives of the assets.

Revenue Recognition:

Revenue and expenses are recorded on the accrual basis. Revenue received for future dues, and events is deferred until the applicable year.

DeKalb Chamber of Commerce, Inc

Notes to the Consolidated Financial Statements

December 31, 2007

NOTE 1: CONTINUED:

In-Kind Contributions:

The Chamber receives in-kind donations from some contributors to assist in its mission. Donated rent has been valued at \$11,593. This amount is included in the financial statements as contributions received, and as rent expense. This treatment is consistent with the criteria for recognition under accounting standards.

NOTE 2 – PROPERTY AND EQUIPMENT:

Land, Buildings and Equipment at year-end for 2007:

	<u>2007</u>
Artwork	11,000
Furniture and Equipment	36,065
	47,065
Less Accumulated Depreciation	(28,852)
Total Land, Buildings and Equipment	<u>\$ 18,213</u>

Furnishings and office equipment are depreciated using the straight-line method over three to seven years. Depreciation expense for the period ending December 31, 2007 is \$5,877.

NOTE 3 – PAYABLE TO DEKALB COUNTY:

The Chamber of Commerce acts as an agent for DeKalb County in connection with the annual DeKalb County Small Business Development Conference. The Chamber collects the conference registration fees on behalf of DeKalb County and pays the related vendors. At December 31, 2007, the Chamber had an excess of registration fees received over expenses incurred for the Small Business Conference of \$23,116.

NOTE 4 – NOTES PAYABLE:

The Chamber has financed the purchase of its telephone equipment through Decatur First Bank. The monthly installments are \$457 including interest at an annual rate of 5.5%. The note is secured by the equipment as well as a CD held with the bank and has principal outstanding of \$4,019 at the end of 2007. Principal reduction of the note as of December 31, 2007 totaled \$15,580. The remainder of the note balance is due to be paid in full during 2008.

DeKalb Chamber of Commerce, Inc

Notes to the Consolidated Financial Statements

December 31, 2007

NOTE 5-COMMITMENTS AND CONTINGENCIES:

The DeKalb Chamber of Commerce leases its office space located at 100 Crescent Centre Parkway, Tucker, Georgia under a noncancelable three year operating lease.

The total remaining operating lease payments under this lease are as follows:

<u>Year</u>	<u>Total Payments</u>
2008	34,120
2009	35,148
2010	23,896

As of December 31, 2007, the total minimum remaining operating lease payments under a noncancelable operating lease, which pertain to a copier are as follows:

<u>Year</u>	<u>Total Payments</u>
2008	8,268
2009	8,268
2010	8,268
2011	8,268
2012	4,134

The copier lease is based on usage, however, there is a minimum payment of \$689 per month.

Rental expense under operating leases was \$54,327 for the year ending December 31, 2007.

NOTE 6- FUNCTIONAL ALLOCATION OF EXPENSES:

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

SUPPLEMENTARY INFORMATION

DeKalb Chamber of Commerce, Inc.
Consolidating Statement of Financial Position
December 31, 2007

	Chamber	Foundation	Eliminations	Consolidated
ASSETS				
Current Assets:				
Cash, including certificates of deposit	\$ 28,716	\$ 43,346	\$ -	\$ 72,062
Grant Receivable	3,500	-	-	3,500
Total Current Assets	32,216	43,346	-	75,562
Property and Equipment, Net	18,213	-	-	18,213
Advances to Affiliates	-	68,063	(68,063)	-
Deposits	2,815	-	-	2,815
TOTAL ASSETS	\$ 53,244	\$ 111,409	\$ (68,063)	\$ 96,590
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Accounts Payable	\$ 25,256	-	-	\$ 25,256
Other Accrued Liabilities	4,800	-	-	4,800
Current Portion of Long Term Debt	4,019	-	-	4,019
Due to DeKalb County	8,652	14,464	-	23,116
Total Current Liabilities	\$ 42,727	\$ 14,464	-	\$ 57,191
Due to Affiliates	68,063	-	(68,063)	-
TOTAL LIABILITIES	110,790	14,464	(68,063)	57,191
Net Assets:				
Unrestricted Net Assets	(57,546)	96,945	-	39,399
TOTAL LIABILITIES AND NET ASSETS	\$ 53,244	\$ 111,409	\$ (68,063)	\$ 96,590

DeKalb Chamber of Commerce, Inc.
Consolidating Statement of Activities and Changes in Net Assets
For the year Ended December 31, 2007

	<u>Chamber</u>	<u>Foundation</u>	<u>Eliminating</u>	<u>Consolidated</u>
REVENUES				
Membership Dues	\$ 338,736	\$ 5,000	\$ -	\$ 343,736
Program Revenues	105,292	-	-	105,292
Grant Income	24,500	5,000	-	29,500
Other Income	19,244	729	-	19,973
Total Revenues	487,772	10,729	-	498,501
EXPENSES				
Membership Development	171,658	1,250	-	172,908
Program Expenses	150,839	1,750	-	152,589
Management & General	132,047	-	-	132,047
Total Expenses	454,544	3,000	-	457,544
CHANGE IN NET ASSETS	33,228	7,729	-	40,957
NET ASSETS - Beginning of Year	<u>(90,774)</u>	<u>89,216</u>	<u>-</u>	<u>(1,558)</u>
NET ASSETS - End of Year	<u>\$ (57,546)</u>	<u>\$ 96,945</u>	<u>\$ -</u>	<u>\$ 39,399</u>