

SOUTH SHORE CHAMBER, INC
(SPECIAL SERVICE AREA #42)

Financial Statements
Years Ended December 31, 2010 and 2009

Independent Auditor's Report

SOUTH SHORE CHAMBER, INC
(SPECIAL SERVICE AREA #42)

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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the:

Board of Directors of South Shore Chamber, Inc and
Special Service Area Commissioners

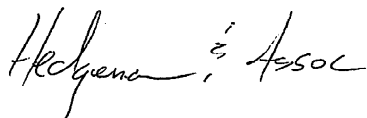
We have audited the accompanying statement of financial position of South Shore Chamber, Inc, SSA #42 (a nonprofit organization) as of December 31, 2010 and 2009, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Chamber's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 that our audit provides 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 the South Shore Chamber, Inc as of December 31, 2010 and 2009, 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 audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The summary schedule of findings, as explained in note 1 of the *Notes to Financial Statements*, is presented for purposes of additional reporting and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit 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.

As discussed, additionally in Note 1, *Accounting Change*; in 2009 the Chamber changed the way it accounted for tax levy assessed. In years prior to 2009, the Chamber reported an asset for tax levy assessed with its offsetting effect ultimately flowing to temporarily restricted net assets. Effective January 1, 2009, the Chamber no longer accounts for tax levy assessed as an asset as explained in Note 1. The appropriate adjustment to net assets was made in 2009.



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March 22, 2011

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SOUTH SHORE CHAMBER, INC / SSA #42

Statement of Financial Position

December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Assets		
Current assets (notes 2 and 3):		
Cash	\$ 102,082	\$ 118,969
Tax levy due - net	69,090	51,236
Due from City	49,810	-
Grant funds receivable	18,155	-
Other assets	1,000	140
	<u>240,137</u>	<u>170,345</u>
Total current assets/total assets	<u>\$ 240,137</u>	<u>\$ 170,345</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued liabilities (note 4)	\$ 32,863	\$ 15,587
Carryover disallowed (note 7)	-	62,680
Taxes payable (note 5)	26,045	26,045
Note payable (note 6)	-	-
	<u>58,908</u>	<u>104,312</u>
Total current liabilities/total liabilities	<u>58,908</u>	<u>104,312</u>
Net assets:		
Unrestricted net assets (note 7 and 11)	(52,421)	(57,746)
Temporarily restricted net assets (note 1 and 7)	233,651	123,779
	<u>181,229</u>	<u>66,033</u>
Total net assets	<u>181,229</u>	<u>66,033</u>
Total liabilities and net assets	<u>\$ 240,137</u>	<u>\$ 170,345</u>

See accompanying notes to financial statements

SOUTH SHORE CHAMBER, INC / SSA #42

Statement of Activities

Years Ended December 31, 2010 and 2009

	2010			2009		
	Actual	Budget	Variance	Actual	Budget	Variance
Government Contracts - SSA Program						
Tax levy due and collected	\$ 509,755	509,755	-	\$ 429,786	429,786	-
Total government contract revenue	509,755	509,755	-	429,786	429,786	-
SSA Program Expenses:						
Advertising and promotion	19,127	38,752	19,625	26,742	33,800	7,058
Public way maintenance	167,322	156,998	(10,324)	106,181	141,856	35,675
Public way aesthetics	52,297	83,901	31,604	32,553	78,909	46,356
Tenant Retention/Attraction	4,376	3,991	(385)	-	-	-
Safety programs	122,645	130,832	8,187	120,062	122,600	2,538
District planning	5,796	15,469	9,673	13,100	18,600	5,500
Total services	371,563	429,943	58,380	298,638	395,765	97,127
Administration	69,000	57,812	(11,188)	53,648	58,300	4,652
Loss collection	22,000	22,000	-	-	22,000	22,000
Total SSA expenses	462,563	509,755	47,192	352,286	476,065	123,779
Restricted-increase (decrease) in net assets	\$ 47,192	-	47,192	\$ 77,500	(46,279)	123,779
Restricted - net assets beginning	123,779			476,065		
Adjust - accounting change (note 7, 1)	62,680			(429,786)		
Restricted - net assets ending	\$ 233,651			\$ 123,779		
Government Grants - CDBG Program						
CDBG program - total government grant	\$ 28,504	28,504	-	\$ 24,290	31,763	(7,473)
CDBG program expenses:						
Personnel	19,000	19,000	-	21,527	29,000	7,473
Fringe benefits	1,493	1,453	(40)	-	-	-
Operating and technical	-	1,719	1,719	2,295	2,000	(295)
Professional and technical	250	2,000	1,750	-	-	-
Materials and supplies	-	2,340	2,340	-	-	-
Other	-	1,992	1,992	469	763	295
Total CDBG expenses	20,743	28,504	7,761	24,290	31,763	7,473
Unrestricted - increase in net assets	7,761	-	7,761	-	-	-
Other Support & Expenses						
Membership dues	8,815	-	8,815	1,600	-	1,600
Other	15,293	-	15,293	13,955	-	13,955
Total public support and revenues	24,108	-	24,108	15,555	-	15,555
Other expenses:						
Personnel	5,986	-	(5,986)	666	-	(666)
General & Miscellaneous	20,557	-	(20,557)	0	-	(0)
Total other expenses	26,543	-	(26,543)	666	-	(666)
Unrestricted - decrease in net assets	(2,436)	-	(2,436)	14,889	-	14,889
Unrestricted - total increase (decrease) in net assets before extraordinary item						
net assets before extraordinary item	5,325			14,889		
Extraordinary item (Note 12)	-			(29,362)		
Unrestricted - total decrease in net assets	\$ 5,325			\$ (14,473)		
Unrestricted - net assets beginning	(57,747)			(43,274)		
Unrestricted - net assets ending	(52,421)			(57,747)		
Increase (Decrease) in total net assets	\$ 52,517			\$ 63,027		

See accompanying notes to financial statements

SOUTH SHORE CHAMBER, INC / SSA #42
Statement of Cash Flows
Years Ended December 31, 2010 and 2009

	2010	2009
Operating activities		
Increase in net assets	\$ 52,517	\$ 63,027
Adjustments to reconcile (decrease) increase in net assets to net cash (used in) provided by operating activities:		
(Increase) in tax levy due and other receivable	(67,664)	(18,084)
(Increase) Decrease in grant fund receivable	(18,155)	18,192
(Decrease) in allowance for doubtful accounts	-	(22,000)
Increase in accounts payable and accrued liabilities	17,276	7,012
(Increase) in other assets	(860)	(140)
Net cash (used in) provided by operating activities	(16,887)	48,007
Financing activities		
Repay note payable, net (note 6)	-	(10,000)
Net cash used in financing activities	-	(10,000)
Net (decrease) increase in cash	(16,887)	38,007
Cash as of beginning of year	118,969	80,962
Cash as of end of year	\$ 102,082	\$ 118,969

See accompanying notes to financial statements

SOUTH SHORE CHAMBER, INC / SSA #42
Summary Schedule of Findings
Year Ended December 31, 2010

This report has been inserted at the request of the City, see note 1 in "Notes to Financial Statements" for further details.

At the request of the City, we have read the Agreement between the City and the SSA and have performed certain compliance testing for SSA activity. Many contractual items were included in the agreement which dealt with non-accounting and non-financial matters that were not a part of our scope as required by the Agreement, and we therefore express no comment on the properness of these items. Based on our understanding of the agreement, the following exceptions from the agreement have been noted:

Current Year exceptions:

Finding #1

Section 3.04 Nondiscrimination. There was no acknowledgement in the contractual agreement, with major vendor "Cleanslate", to comply with this section. The vendor is responsible for Public Way services.

Finding #2

The SSA #42's year ending December 31, 2010 and 2009 unexpended program expense balance of \$47,192 and \$123,779, respectively, does not equal to its subsequent year's budget carryover of \$49,810 and \$7,795, respectively. Additionally, the Chamber had carryovers for years prior to 2009 that were not budgeted for in its subsequent budgets. The Chamber notes these differences as estimating errors that will be resolved in the subsequent year.

Prior Year exceptions cured and corrected:

Finding #1

Section 3.02 Standard of Performance. The Chamber has implemented periodic evaluation procedures to ensure "standards of performance" for subcontractors as required by this section.

Finding #3

Section 3.05 Insurance. Insurance records were on file for major vendor "Cleanslate". The vendor is responsible for Public Way services.

Finding #4

Section 3.07 Records and Audits. Preparation of bank reconciliations is being performed on a routine basis; proper documentation was noted for transactions entered into financial software; and, transactions are being entered into the financial software on a timely basis.

In 2010 the Chamber paid in full the balance of \$49,810 owed to SSA activities in 2009.

SOUTH SHORE CHAMBER, INC / SSA #42

Notes to Financial Statements
December 31, 2010 and 2009

NOTE 1—NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The South Shore Chamber, Inc (the Chamber) was incorporated on November 17, 1998. The purpose of the Chamber is to carry out charitable activities in areas of business assistance, as well as the promotion of business commerce and community maintenance in the South Shore area.

The Chamber is a not-for-profit corporation in Illinois and is exempt from income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to the Chamber qualify for the charitable contributions deduction to the extent provided by section 170 of the Internal Revenue Code.

The Chamber's fiscal year is calendar year.

Public Support and Revenue Sources

The Chamber receives funds from two major sources (programs):

The Chamber is the contracted Special Service Area Number 42 (SSA) provider for the City of Chicago (the City) in an agreement made effective for calendar year beginning January 1, 2007. The City authorizes a Special Service Area Commission (the Commissioners) to preside over SSA #42 and its approved annual activities. The annual activities are funded with a tax levy upon taxable properties within a designated area of the South Shore community; the tax levy is in addition to all other property taxes. Tax levies are billed, collected, and remitted by the City to the Chamber. Any unused tax levy for approved activities can be used by the Chamber in the succeeding year with City approval. The tax levy order is for 10 years beginning with tax year 2006. These funds are temporarily restricted for approved annual activities.

The Chamber also receives grant funds from the Community Develop Block Grant program (CDBG) established by the City's Department of Planning and Development (the Department). To qualify for the grant, the Chamber is required to make annual application by May 31st for the following year's funding. The CDBG program is designed to assist small businesses with technical resources through the use of not-for-profit partners. These funds are reimbursable on budgeted items.

Other funding sources include private donations and membership dues from Chamber members. These funds are unrestricted.

Summary Schedule of Findings

The City has requested certain compliance procedures to be performed in connection with the annual audit of the Chamber. These compliance procedures are limited to the activity of the SSA program. The procedures require testing of the SSA's compliance with requirements contained in the agreement with the City, and a documentation of exceptions found as a result of compliance testing. The statement entitled "Summary Schedule of Findings" has been incorporated with the other required financial statements as a result of compliance testing.

Basis of Presentation

Financial statements are presented in accordance with Statement of Financial Accounting Standards No. 117, *Financial Statements of Not-for Profit Organizations*. It requires not-for-profit organizations to provide a statement of financial position, a statement of activities, and a statement of cash flows. It requires classification of an organization's net assets and its revenues, expenses, gains, and losses based on the existence or absence of donor-imposed restrictions. It further requires that the amounts for each of the three classes of net assets – permanently restricted, temporarily restricted, and unrestricted – be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles accepted in the United States, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual events and results could differ from those assumptions and estimates.

SOUTH SHORE CHAMBER, INC / SSA #42

Notes to Financial Statements December 31, 2010 and 2009

(Note 1 continued)

Property and Equipment

It is the Chamber's policy to expense property and equipment purchased with SSA funds. Property and equipment purchased with SSA funds and expensed at December 31, 2010 and 2009 totaled \$1,600 and \$13,937, respectively. Their use is restricted to SSA activity. Additionally, \$4,645 of expenditures for property and equipment purchased in 2009 was considered a total loss.

Accounting Change – Tax Levy Assessed and Temporarily Restricted Net Assets

As described in Note 1, *Public Support and Revenue Sources*, one of the Chamber's major funding sources is tax revenue received from the City for SSA annual activities. The accounting for these funds differs due to the accounting principles established by each industry's accounting authority.

The Financial Accounting Standards Board (FASB) establishes generally accepted accounting principles (GAAP) for public, private and non-profit entities, of which the Chamber falls under.

The Governmental Accounting Standards Board (GASB) establishes GAAP for local and state governments, of which the City (SSA funding source) falls under.

Under GASB, tax revenue is recognized when taxes are levied against (billed to) the property. Under FASB tax revenue can justifiably be recognized before the property is levied. In illustration, many taxpayers sale their homes prior to the year of levy but pay a prorated share of the eventual tax upon the property being sold; FASB would recognize this revenue in the year of sale, hence tax levy assessed. However, because GASB seeks to match revenue to the government's budget of a particular period, revenues are recognized when tax levies are billed to property tax owners for that period.

In the past, the Chamber recorded an asset, *Tax Levy assessed* in the current year for taxes to be levied in the following year for budgeting purposes. To more appropriately match tax revenues with approved SSA annual activities (budget), the Chamber will recognize tax revenue when tax levies are made as established by GASB. The change is effective January 1, 2009. The cumulative effect on prior years was charged to 2009 beginning Net Assets, see *Statement of Activities*. It was not practicable to determine the pro forma effect on the financial statements of applying the new change retroactively.

SOUTH SHORE CHAMBER, INC / SSA #42

Notes to Financial Statements

December 31, 2010 and 2009

(Note 1 continued)

Restricted and Unrestricted Statement of Financial Position and Cash Flows – Summarized

Statement of Financial Position at December 31, 2010:

	<u>Restricted</u>	<u>Unrestricted</u>
Cash	\$ 96,206	\$ 5,876
Tax levy due/grants receivable	68,940	18,305
Other Assets	-	1,000
Due from City	<u>49,810</u>	<u>-</u>
 Total assets	 <u>\$ 214,956</u>	 <u>\$ 25,181</u>
 Accounts payable and accrued liabilities	 \$ 31,116	 \$ 1,747
Due to restricted assets held by City	(49,810)	49,810
Carryover disallowed	-	-
Taxes payable	-	26,045
 Total liabilities	 \$ (18,694)	 \$ 77,602
 Total net assets	 <u>\$ 233,650</u>	 <u>\$ (52,421)</u>
 Total liabilities and net assets	 <u>\$ 214,956</u>	 <u>\$ 25,181</u>

Statement of Cash Flows for the year ended December 31, 2010:

	<u>Restricted</u>	<u>Unrestricted</u>
Increase in net assets	\$ 47,192	\$ 5,325
 Adjustments to reconcile (decrease) increase in net assets to net cash (used in) provided by operating activities:		
(Increase) in tax levy due and assessed receivable	(67,664)	-
Increase in grant funds receivable	-	(18,155)
Increase in accounts payable and accrued liabilities	15,528	1,747
Decrease (Increase) in other assets	<u>150</u>	<u>(1,010)</u>
 Net increase (decrease) in cash	 \$ (4,794)	 \$ (12,093)
Cash transfers (from restricted) to unrestricted	-	-
Cash as of beginning of year	<u>101,000</u>	<u>17,969</u>
 Cash as of end of year	 <u>\$ 96,206</u>	 <u>\$ 5,876</u>

SOUTH SHORE CHAMBER, INC / SSA #42

Notes to Financial Statements
December 31, 2010 and 2009

NOTE 2—CASH

Cash includes cash balances at two financial institutions; additionally, any interest income from these accounts is recorded as interest when earned. Account balances at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000 per customer. In accordance with the City's requirement, the Chamber is required to hold cash in a separate account for SSA activity.

Available cash balances for the Chamber are as follows at December 31:

	<u>2010</u>	<u>2009</u>
Cash - SSA	\$ 96,206	\$ 101,000
Cash - Other	5,876	17,968
Total	<u>\$ 102,082</u>	<u>\$ 118,968</u>

Bank balances are as follows at December 31:

	<u>2010</u>	<u>2009</u>
Harris bank - SSA	\$ 118,161	\$ 101,001
Shore bank	49,765	30,152
Total	<u>\$ 167,927</u>	<u>\$ 131,153</u>

NOTE 3—TAX LEVY, DUE FROM CITY AND GRANT FUNDS RECEIVABLE

Tax Levy Due and Due from City – SSA Program

Tax levy due are taxes that have been billed to the taxpayer by the City but have not been received, less an allowance for doubtful accounts. The Chamber provides for losses on taxes due using the allowance method. The allowance is based on experience and other circumstances, which may affect the ability of the Chamber to collect. Additionally, the Chamber has a separate confirmed outstanding balance due from the City to be paid in the following year.

Net tax levy due at December 31:

	<u>2010</u>	<u>2009</u>
Tax levy due	\$ 91,090	\$ 51,236
Allow for doubtful accounts	(22,000)	-
Total	<u>\$ 69,090</u>	<u>\$ 51,236</u>

Due from City at December 31:

	<u>2010</u>	<u>2009</u>
Due from the City	49,810	-
Total	<u>\$ 49,810</u>	<u>\$ -</u>

SOUTH SHORE CHAMBER, INC / SSA #42

Notes to Financial Statements

December 31, 2010 and 2009

(Note 3 continued)

Grant Funds Receivable – CDBG Program

Grant funds receivable consist of invoices to be reimbursed from grant funds, less an allowance for doubtful accounts. The Chamber provides for losses on grants receivable using the allowance method. The allowance is based on invoices that the Chamber has deemed not reimbursable. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Chambers policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. Net grant funds receivable at December 31:

	<u>2010</u>	<u>2009</u>
Grant funds receivable	\$ 18,155	\$ -
Allow for doubtful accounts	<u>-</u>	<u>-</u>
Total	<u>\$ 18,155</u>	<u>\$ -</u>

NOTE 4—ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses at December 31, 2010 are amounts billed by SSA vendors but not yet paid and estimated expenses owed to the Chamber and SSA vendors but not yet billed by the vendors. Accrued Expenses for 2010 consists of estimates owed to the Chamber and SSA vendors. Accounts payable and accrued expenses consist of the following at December 31:

	<u>2010</u>	<u>2009</u>
Accounts payable	\$ 27,863	\$ 13,928
Accrued expenses	<u>5,000</u>	<u>1,660</u>
Total	<u>\$ 32,863</u>	<u>\$ 15,588</u>

NOTE 5—TAXES PAYABLE

See Note 12.

NOTE 6—NOTE PAYABLE

The Chamber received a project initiation loan for \$20,000 in 2006 from Local Initiatives Support Corporation (LISC), a New York not-for-profit corporation. The loan's purpose was to provide financial support for costs related to obtaining the SSA designation. The loan was repayable in four (4) equal installments of \$5,000 each on or before the following due dates: 12/31/07, 6/30/08, 12/31/08, and 6/30/09. In 2007 the first installment due was made by the Chamber but later canceled in August 2008 due to non receipt by LISC. In 2009 the 12/31/07 installment and the 6/30/09 was paid in full.

Note payable balance is as follows at December 31:

	<u>2010</u>	<u>2009</u>
Opening balance	\$ -	\$ 5,000
Payments	-	(10,000)
Adjustment for canceled payment from prior year	<u>-</u>	<u>5,000</u>
Ending balance	<u>\$ -</u>	<u>\$ -</u>

SOUTH SHORE CHAMBER, INC / SSA #42

Notes to Financial Statements
December 31, 2010 and 2009

NOTE 7—NET ASSETS

Unrestricted assets are as follows at December 31:

	<u>2010</u>	<u>2009</u>
Unrestricted net assets	<u>\$ (52,421)</u>	<u>\$ (57,746)</u>

Temporarily restricted assets are comprised of unused budgeted (program) amounts for the current year and prior years. Unused budget amounts that are not approved in the following year's SSA budget are considered Carryovers Disallowed. The following Net Assets total represents Carryovers Disallowed. The Chamber notes that this is an error in estimating its annual Carryover amounts to be approved by the City. The Chamber expects this to be corrected and approved in the following year.

Net assets restricted at December 31, are as follows:

	<u>2010</u>	<u>2009</u>
Advertising and promotion	\$ 26,683	\$ 7,058
Public way aesthetics	77,960	46,356
Public way maintenance	25,351	35,675
Tenant Retention/Attraction	(385)	-
Safety programs	10,725	2,538
District planning	15,173	5,500
Administration	(6,536)	4,652
Loss Collection	22,000	22,000
2008 and prior carryover adjustment	<u>62,680</u>	<u>-</u>
Total	<u>\$ 233,651</u>	<u>\$ 123,779</u>

NOTE 8—OPERATING LEASE

In 2010, The Chamber entered into a one-year office lease for its headquarter office. The lease expires May 31, 2011. Rent expense for 2010 and 2009 was \$8,900 and \$8,400, respectively.

NOTE 9—RELATED PARTY

The Chamber purchases insurance coverage from a company that is majority-owned by a member of the Chamber's board of directors. Insurance coverage was obtained through a competitive award process and, in the opinion of the Chamber the coverage obtained was the most favorable. Insurance expense for 2010 and 2009 was \$2,389 and \$1,318 respectively.

The Chamber leases office space on an annual basis from a company whose Board Chairperson is also a board member of the Chamber. Rent expense for 2010 and 2009 was \$8,900 and \$8,400, respectively.

Additionally, a board member of the Chamber also serves as a Commissioner for the SSA Program.

NOTE 10—ALLOCATION OF EXPENSES

Certain costs have been allocated among the programs and supporting services.

SOUTH SHORE CHAMBER, INC / SSA #42

Notes to Financial Statements
December 31, 2010 and 2009

NOTE 11—COMMITMENTS AND CONTINGENCIES

Taxes

In 2008, the Internal Revenue Service (the IRS) notified the Chamber of unpaid 941/990 principal and interest tax amounts totaling \$24,629 for tax periods 2004, 2005 and 2007. The balance has since been revised as of June 2009 to reflect unpaid 941/990 principal, interest and penalties totaling \$26,045 for tax periods 2004 and 2005. The Chamber does not agree with the adjustments proposed by the IRS and, in 2008, engaged legal representation ("in a pro-bono capacity") to pursue the matter. The Chamber believes that upon final resolution of the issue, the full balance including any penalties and interest will be reversed.

In 2008, an IRS tax levy of \$5,770 for penalties and interest was attached to the Chamber's South Shore bank account. In 2008, the aforementioned IRS balance as of June 2009 and tax levy were reported in the Chamber's financials for \$31,815 under other "general and miscellaneous" expenses. Penalties and interest may continue to accrue as a result of the dispute, but have not been estimated beyond the latest notification from the IRS, pending the outcome of the dispute.

Unrestricted Net Assets Uncertainty and Management Plan

The Chamber has experienced decreases in unrestricted net assets in the past. These decreases are primarily the effect of portions of personnel expenses not covered by the Chambers grant and contract program; unresolved tax obligations noted above, and a lack of unrestricted revenues to cover the expenses. The Chamber believes that the tax liability will be resolved in its favor, the timing of which cannot be determined. The Chamber is in the process of developing plans to generate more unrestricted revenues from other sources including membership dues.

NOTE 12—EXTRAORDINARY ITEM

In 2009 the company determined a permanent impairment of capital assets related to program operations. The company has taken measures to ensure its non recurrence in the future. The total loss related to this event approximated \$66,166, of which \$36,804 relates to 2008. As a result, the Chamber restated the 2008 *Statement of Activities* to reflect the impairment. In 2010, \$10,000 of the previously reported impairment was recovered.