

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

2007

Open to Public Inspection

Department of the Treasury Internal Revenue Service(77)

The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2007 calendar year, or tax year beginning 2/01, 2007, and ending 1/31, 2008

- B Check if applicable: Address change, Name change, Initial return, Termination, Amended return, Application pending

C SAN CLEMENTE CHAMBER OF COMMERCE 1100 N EL CAMINO REAL SAN CLEMENTE, CA 92672

D Employer Identification Number 95-1451751 E Telephone number 949-492-1131 F Accounting method: Cash, Accrual, Other

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

H and I are not applicable to section 527 organizations. H (a) Is this a group return for affiliates? H (b) If 'Yes,' enter number of affiliates. H (c) Are all affiliates included? H (d) Is this a separate return filed by an organization covered by a group ruling? I Group Exemption Number. M Check if the organization is not required to attach Schedule B

G Web site: N/A

J Organization type (check only one) 501(c) 6

K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 656,480.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)

Table with 21 rows for Revenue, Expenses, and Results. Includes sub-rows for contributions, program revenue, membership dues, interest, dividends, gross rents, investment income, sales of assets, special events, and inventory sales.

Part II Statement of Functional Expenses All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See *instruct.*)

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i>		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach sch) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here... <input type="checkbox"/>	22a				
22b Other grants and allocations (att sch) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here... <input type="checkbox"/>	22b				
23 Specific assistance to individuals (attach schedule).....	23				
24 Benefits paid to or for members (attach schedule).....	24				
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A.....	25a	0.			
b Compensation of former officers, directors, key employees, etc. listed in Part V-B.....	25b	0.			
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).....	25c	0.			
26 Salaries and wages of employees not included on lines 25a, b, and c.....	26	191,468.			
27 Pension plan contributions not included on lines 25a, b, and c.....	27	7,807.			
28 Employee benefits not included on lines 25a - 27.....	28	20,480.			
29 Payroll taxes.....	29	16,250.			
30 Professional fundraising fees.....	30				
31 Accounting fees.....	31				
32 Legal fees.....	32				
33 Supplies.....	33				
34 Telephone.....	34	1,626.			
35 Postage and shipping.....	35	4,396.			
36 Occupancy.....	36	3,779.			
37 Equipment rental and maintenance.....	37	793.			
38 Printing and publications.....	38				
39 Travel.....	39				
40 Conferences, conventions, and meetings.....	40				
41 Interest.....	41				
42 Depreciation, depletion, etc (attach schedule).....	42	16,161.			
43 Other expenses not covered above (itemize):					
a <u>SEE STATEMENT 1</u>	43a	363,653.			
b -----	43b				
c -----	43c				
d -----	43d				
e -----	43e				
f -----	43f				
g -----	43g				
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15).....	44	626,413.			

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? N/A Yes No
 If 'Yes,' enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to Program services \$ _____; (iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____.

Part III Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? ► <u>CHAMBER OF COMMERCE</u> All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts; but optional for others.)
a <u>SEE STATEMENT 2</u> ----- ----- ----- ----- (Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
b ----- ----- ----- ----- (Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
c ----- ----- ----- ----- (Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
d ----- ----- ----- ----- (Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
e Other program services (Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)..... ►	

BAA

Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year	
ASSETS	45 Cash — non-interest-bearing	427,290.	45	464,608.	
	46 Savings and temporary cash investments		46		
	47a Accounts receivable	47 a 4,188.			
	b Less: allowance for doubtful accounts	47 b	635.	47 c 4,188.	
	48a Pledges receivable	48 a			
	b Less: allowance for doubtful accounts	48 b		48 c	
	49 Grants receivable			49	
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)			50 a	
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)			50 b	
	51a Other notes and loans receivable (attach schedule)	51 a			
	b Less: allowance for doubtful accounts	51 b	3,681.	51 c	
	52 Inventories for sale or use			52	
	53 Prepaid expenses and deferred charges		6,811.	53	
	54a Investments — publicly-traded securities	<input type="checkbox"/> Cost <input type="checkbox"/> FMV		54 a	
	b Investments — other securities (attach sch)	<input type="checkbox"/> Cost <input type="checkbox"/> FMV		54 b	
	55a Investments — land, buildings, & equipment: basis	55 a			
	b Less: accumulated depreciation (attach schedule)	55 b		55 c	
	56 Investments — other (attach schedule)			56	
	57a Land, buildings, and equipment: basis	57 a 161,762.			
b Less: accumulated depreciation (attach schedule)	57 b 143,189.	28,511.	57 c 18,573.		
58 Other assets, including program-related investments (describe <input type="checkbox"/>			58		
59 Total assets (must equal line 74). Add lines 45 through 58		466,928.	59	487,369.	
LIABILITIES	60 Accounts payable and accrued expenses	15,818.	60	13,911.	
	61 Grants payable		61		
	62 Deferred revenue		62		
	63 Loans from officers, directors, trustees, and key employees (attach schedule)			63	
	64a Tax-exempt bond liabilities (attach schedule)			64 a	
	b Mortgages and other notes payable (attach schedule)			64 b	
	65 Other liabilities (describe <input type="checkbox"/> <u>SEE STATEMENT 4</u>		10,529.	65	2,810.
	66 Total liabilities. Add lines 60 through 65		26,347.	66	16,721.
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.				
	67 Unrestricted		67		
	68 Temporarily restricted		68		
	69 Permanently restricted		69		
	Organizations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 70 through 74.				
	70 Capital stock, trust principal, or current funds		70		
	71 Paid-in or capital surplus, or land, building, and equipment fund		71		
	72 Retained earnings, endowment, accumulated income, or other funds		440,581.	72	470,648.
	73 Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21)		440,581.	73	470,648.
74 Total liabilities and net assets/fund balances. Add lines 66 and 73		466,928.	74	487,369.	

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See the instructions.)

a	Total revenue, gains, and other support per audited financial statements	a	656,480.
b	Amounts included on line a but not on Part I, line 12:		
	1 Net unrealized gains on investments	b1	
	2 Donated services and use of facilities	b2	
	3 Recoveries of prior year grants	b3	
	4 Other (specify): _____	b4	
	Add lines b1 through b4	b	
c	Subtract line b from line a	c	656,480.
d	Amounts included on Part I, line 12, but not on line a :		
	1 Investment expenses not included on Part I, line 6b	d1	
	2 Other (specify): _____	d2	
	Add lines d1 and d2	d	
e	Total revenue (Part I, line 12). Add lines c and d	e	656,480.

Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

a	Total expenses and losses per audited financial statements	a	626,413.
b	Amounts included on line a but not on Part I, line 17:		
	1 Donated services and use of facilities	b1	
	2 Prior year adjustments reported on Part I, line 20	b2	
	3 Losses reported on Part I, line 20	b3	
	4 Other (specify): _____	b4	
	Add lines b1 through b4	b	
c	Subtract line b from line a	c	626,413.
d	Amounts included on Part I, line 17, but not on line a :		
	1 Investment expenses not included on Part I, line 6b	d1	
	2 Other (specify): _____	d2	
	Add lines d1 and d2	d	
e	Total expenses (Part I, line 17). Add lines c and d	e	626,413.

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation plans	(E) Expense account and other allowances
SEE ATTACHED SCHEDULE	0	0.	0.	0.
NONE COMPENSATED	0	0.	0.	0.

Part VI Other Information (continued)		Yes	No
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
b	If 'Yes,' you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)		
82b			N/A
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
83b	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	X	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
84b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		N/A
85a	501(c)(4), (5), or (6). Were substantially all dues nondeductible by members?		X
85b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?		X
	If 'Yes' was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
85c	Dues, assessments, and similar amounts from members		0.
85d	Section 162(e) lobbying and political expenditures		0.
85e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		0.
85f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		0.
85g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		N/A
85h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		N/A
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12		N/A
86a			N/A
86b	Gross receipts, included on line 12, for public use of club facilities		N/A
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders		N/A
87a			N/A
87b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)		N/A
88a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX.		X
88b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes,' complete Part XI.		X
89a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 <u>N/A</u> ; section 4912 <u>N/A</u> ; section 4955 <u>N/A</u>		
89b	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If 'Yes,' attach a statement explaining each transaction.		N/A
89c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		N/A
89d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		N/A
89e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
89f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
89g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		X
90a	List the states with which a copy of this return is filed <u>NONE</u>		
90b	Number of employees employed in the pay period that includes March 12, 2007 (See instructions.)		0
91a	The books are in care of <u>SAN CLEMENTE CHAMBER OF COMM</u> Telephone number <u>949-492-1131</u> Located at <u>1100 N EL CAMINO REAL SAN CLEMENTE CA</u> ZIP + 4 <u>92672</u>		
91b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If 'Yes,' enter the name of the foreign country		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		

Part VI Other Information (continued)

Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States? 91 c Yes No

If 'Yes,' enter the name of the foreign country ▶

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here. N/A

and enter the amount of tax-exempt interest received or accrued during the tax year. ▶ 92 N/A

Part VII Analysis of Income-Producing Activities (See the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a SEE STATEMENT 5					309,624.
b					
c					
d					
e					
f Medicare/Medicaid payments.					
g Fees & contracts from government agencies.					
94 Membership dues and assessments.					119,766.
95 Interest on savings & temporary cash invmnts.					10,914.
96 Dividends & interest from securities.					
97 Net rental income or (loss) from real estate:					
a debt-financed property.					
b not debt-financed property.					
98 Net rental income or (loss) from pers prop.					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory.					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a					
b BUSINESS DIRECTORY	511190	216,176.			
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E)).		216,176.			440,304.
105 Total (add line 104, columns (B), (D), and (E)).					656,480.

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
93 (A)	ALL ACTIVITIES ARE EITHER FOR TOURISM, BUSINESS INFORMATION, BUSINESS NETWORKING AND OTHER BUSINESS SUPPORT ACTIVITIES.

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

a Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No

b Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If 'Yes' to (b), file Form 8870 and Form 4720 (see instructions).

Part XI Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13).

	Yes	No
106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If 'Yes,' complete the schedule below for each controlled entity.....		X

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	----- -----			
b	----- -----			
c	----- -----			
Totals				

	Yes	No
107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If 'Yes,' complete the schedule below for each controlled entity.....		X

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	----- -----			
b	----- -----			
c	----- -----			
Totals				

	Yes	No
108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?.....		X

Please Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.	
	▶ _____ Signature of officer	_____ Date
	▶ _____ Type or print name and title.	

Paid Preparer's Use Only	Preparer's signature ▶ CHARLES E. NAREY	Date 11/06/08	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN (See General Instruction X) P00132845
	Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ HAYDEN, NAREY & PERSICH, CPA'S 2340 S. EL CAMINO REAL, STE.15 SAN CLEMENTE, CA 92672	EIN ▶ 95-4048100	Phone no. ▶ (949) 492-5307	

**STATEMENT 1
FORM 990, PART II, LINE 43
OTHER EXPENSES**

	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT & GENERAL	(D) FUNDRAISING
ADVERTISING	2,250.			
AUTOMOBILE	797.			
BANK CHARGES	2,981.			
BOARD EXPENSES	67.			
CLEANING	1,680.			
COMMITTEE EXPS	236.			
COMPUTER EXPS	1,518.			
CONTRIBUTIONS	3,850.			
DIRECTORY PRINTING & DELIVERY	103,655.			
DUES & SUBSCRIPTIONS	1,950.			
INSURANCE	10,358.			
MAINTENANCE	5,231.			
MEALS	3,219.			
MEMBERSHIP EXPENSES	6,404.			
OFFICE EXPENSE	10,541.			
PROFESSIONAL FEES	20,236.			
PROGRAM SERVICES	175,170.			
PROPERTY TAX	788.			
REPAIRS	11,109.			
SECURITY	279.			
TAXES-OTHER	558.			
WEBSITE	776.			
TOTAL	\$ 363,653.	\$ 0.	\$ 0.	\$ 0.

**STATEMENT 2
FORM 990, PART III, LINE A
STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS**

DESCRIPTION	GRANTS AND ALLOCATIONS	PROGRAM SERVICE EXPENSES
PUBLISHED BUSINESS DIRECTORY TO SUPPORT LOCAL BUSINESS. PUBLISHED MONTHLY NEWSLETTER FOR BUSINESS INFORMATION FOR MEMBERS. CONDUCTED VARIOUS COMMITTEE MEETINGS EACH MONTH AS AN INFORMATION AND SUPPORT FORUM FOR LOCAL BUSINESSES. SPONSORED MANY EVENTS TO SUPPORT BUSINESS SUCH AS STREET FESTIVAL, CHOWDER COOK OFF, TASTE OF SAN CLEMENTE, ELECTED REPRESENTATIVEFORUMS, ETC.		
INCLUDES FOREIGN GRANTS: NO		
	<u>\$ 0.</u>	<u>\$ 0.</u>

**STATEMENT 3
FORM 990, PART IV, LINE 57
LAND, BUILDINGS, AND EQUIPMENT**

CATEGORY	BASIS	ACCUM. DEPREC.	BOOK VALUE
MACHINERY AND EQUIPMENT	\$ 112,987.	\$ 101,178.	\$ 11,809.
BUILDINGS	48,775.	42,011.	6,764.
TOTAL	<u>\$ 161,762.</u>	<u>\$ 143,189.</u>	<u>\$ 18,573.</u>

**STATEMENT 4
FORM 990, PART IV, LINE 65
OTHER LIABILITIES**

RETIREMENT PLAN.....	\$ 2,810.
TOTAL	<u>\$ 2,810.</u>

**STATEMENT 5
FORM 990, PART VII, LINE 93
PROGRAM SERVICE REVENUE**

PROGRAM SERVICE REVENUE	(A) BUSI- NESS CODE	(B) UNRELATED BUSINESS AMOUNT	(C) EXCLU- SION CODE	(D) EXCLUDED AMOUNT	(E) RELATED OR EXEMPT FUNCTION
BANNER PROGRAM-CITY					\$ 11,422.
FIESTA (STREET FESTIVAL)					166,496.
GOLF					27,670.
MEMBERSHIP MEETINGS					8,695.
MEMBERSHIP SERVICES					24,967.
OTHER BUSINESS SERVICES					
SEAFEST					16,974.
TASTE OF SAN CLEMENTE					29,048.
US MARINE CORP EVENTS					13,905.
VISITOR/TOURISIM-CITY					10,447.
TOTAL		<u>\$ 0.</u>		<u>\$ 0.</u>	<u>\$ 309,624.</u>

Exempt Organization Business Income Tax Return
(and proxy tax under section 6033(e))

2007

For calendar year 2007 or other tax year beginning 2/01, 2007,
and ending 1/31, 2008

Department of the Treasury
Internal Revenue Service (77)

Open to Public Inspection for
501(c)(3) Organizations Only

▶ See separate instructions.

<p>A <input type="checkbox"/> Check box if address changed</p> <p>B Exempt under section</p> <table style="width:100%;"> <tr> <td><input checked="" type="checkbox"/> 501(c)(6)</td> <td><input type="checkbox"/> 220(e)</td> </tr> <tr> <td><input type="checkbox"/> 408(e)</td> <td><input type="checkbox"/> 530(a)</td> </tr> <tr> <td><input type="checkbox"/> 408A</td> <td></td> </tr> <tr> <td><input type="checkbox"/> 529(a)</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> 501(c)(6)	<input type="checkbox"/> 220(e)	<input type="checkbox"/> 408(e)	<input type="checkbox"/> 530(a)	<input type="checkbox"/> 408A		<input type="checkbox"/> 529(a)		<p>Print or Type</p>	<p>(<input type="checkbox"/> Check box if name changed and see instructions.)</p> <p>SAN CLEMENTE CHAMBER OF COMMERCE 1100 N EL CAMINO REAL SAN CLEMENTE, CA 92672</p>	<p>D Employer identification number (Employees' trust, see instructions for Block D.) 95-1451751</p> <p>E Unrelated business activity codes (See instructions for Block E.) 7310</p>
<input checked="" type="checkbox"/> 501(c)(6)	<input type="checkbox"/> 220(e)										
<input type="checkbox"/> 408(e)	<input type="checkbox"/> 530(a)										
<input type="checkbox"/> 408A											
<input type="checkbox"/> 529(a)											
<p>C Book value of all assets at end of year 487,369.</p>	<p>F Group exemption number (See instructions for Block F.) ▶</p> <p>G Check organization type ▶ <input checked="" type="checkbox"/> 501(c) corporation <input type="checkbox"/> 501(c) trust <input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust</p>										

H Describe the organization's primary unrelated business activity.
▶ **ANNUAL BUSINESS DIRECTORY**

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? ▶ Yes No
If 'Yes,' enter the name and identifying number of the parent corporation . . . ▶

J The books are in care of ▶ **SAN CLEMENTE CHAMBER OF COMM** Telephone number ▶ **949-492-1131**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1 a Gross receipts or sales				
b Less returns and allowances c Balance ▶	1 c			
2 Cost of goods sold (Schedule A, line 7)	2			
3 Gross profit. Subtract line 2 from line 1c	3			
4 a Capital gain net income (attach Schedule D)	4 a			
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4 b			
c Capital loss deduction for trusts	4 c			
5 Income (loss) from partnerships and S corporations (attach statement)	5			
6 Rent income (Schedule C)	6			
7 Unrelated debt-financed income (Schedule E)	7			
8 Interest, annuities, royalties, and rents from controlled organizations (Schedule F)	8			
9 Investment income of a section 501(c)(7), (9), or (17) organization (Sch G)	9			
10 Exploited exempt activity income (Schedule I)	10			
11 Advertising income (Schedule J)	11			
12 Other income (See instructions; attach schedule.) <div style="text-align: right;">SEE STATEMENT 1</div>	12	216,176.		216,176.
13 Total. Combine lines 3 through 12	13	216,176.	0.	216,176.

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.) (Except for contributions, deductions must be directly connected with the unrelated business income.)				
14 Compensation of officers, directors, and trustees (Schedule K)	14			
15 Salaries and wages	15			80,500.
16 Repairs and maintenance	16			4,665.
17 Bad debts	17			
18 Interest (attach schedule)	18			
19 Taxes and licenses	19			6,825.
20 Charitable contributions (See instructions for limitation rules.)	20			
21 Depreciation (attach Form 4562)	21	2,200.		
22 Less depreciation claimed on Schedule A and elsewhere on return	22 a			2,200.
23 Depletion	23			
24 Contributions to deferred compensation plans	24			3,280.
25 Employee benefit programs	25			8,600.
26 Excess exempt expenses (Schedule I)	26			
27 Excess readership costs (Schedule J)	27			
28 Other deductions (attach schedule) SEE STATEMENT 2	28			134,513.
29 Total deductions. Add lines 14 through 28	29			240,583.
30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	30			-24,407.
31 Net operating loss deduction (limited to the amount on line 30) SEE STATEMENT 3	31			
32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30	32			-24,407.
33 Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions)	33			
34 Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32	34			-24,407.

Part III Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation. Controlled group members (sections 1561 and 1563) check here. <input type="checkbox"/> . See instructions and: a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order): (1) \$ _____ (2) \$ _____ (3) \$ _____ b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$ _____ (2) Additional 3% tax (not more than \$100,000) \$ _____ c Income tax on the amount on line 34 ▶ 35c 0.	
36 Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 34 from: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041) ▶ 36	
37 Proxy tax. See instructions ▶ 37	
38 Alternative minimum tax. ▶ 38	
39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies ▶ 39 0.	

Part IV Tax and Payments

40a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116) 40a	
b Other credits (see instructions) 40b	
c General business credit. Check here and indicate which forms are attached: <input type="checkbox"/> Form 3800 <input type="checkbox"/> Form(s) (specify) ▶ _____ 40c	
d Credit for prior year minimum tax (attach Form 8801 or 8827) 40d	
e Total credits. Add lines 40a through 40d 40e 0.	
41 Subtract line 40e from line 39 41 0.	
42 Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule) 42	
43 Total tax. Add lines 41 and 42 43 0.	
44a Payments: A 2006 overpayment credited to 2007 44a	
b 2007 estimated tax payments 44b	
c Tax deposited with Form 8868 44c	
d Foreign organizations: Tax paid or withheld at source (see instructions) 44d	
e Backup withholding (see instructions) 44e	
f Other credits and payments: <input type="checkbox"/> Form 2439 _____ <input type="checkbox"/> Form 4136 _____ <input type="checkbox"/> Other _____ Total ▶ 44g	
45 Total payments. Add lines 44a through 44f 45 0.	
46 Estimated tax penalty (see instructions). Check if Form 2220 is attached ▶ <input type="checkbox"/> 46	
47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed ▶ 47	
48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid ▶ 48	
49 Enter the amount of line 48 you want: Credited to 2008 estimated tax ▶ Refunded ▶ 49	

Part V Statements Regarding Certain Activities and Other Information (see instructions.)

1 At any time during the 2007 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1. If YES, enter the name of the foreign country here ... ▶ _____	Yes	No
2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? ... If YES, see the instructions for other forms the organization may have to file.		X
3 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ 0.		

Schedule A – Cost of Goods Sold. Enter method of inventory valuation ▶

1 Inventory at beginning of year 1		6 Inventory at end of year 6	
2 Purchases 2		7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2. 7	
3 Cost of labor 3			
4a Additional section 263A costs (attach schedule) 4a			
b Other costs (attach sch) 4b			
5 Total. Add lines 1 through 4b 5			
		8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes No X

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer _____ Date _____ Title _____

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer's Use Only

Preparer's signature ▶ **CHARLES E. NAREY** Date **11/06/08** Check if self-employed Preparer's SSN or PTIN **P00132845**

Firm's name (or yours if self-employed), address, and ZIP code ▶ **HAYDEN, NAREY & PERSICH, CPA'S** EIN **95-4048100**
2340 S. EL CAMINO REAL, STE.15
SAN CLEMENTE, CA 92672 Phone no. **(949) 492-5307**

Schedule C – Rent Income (From Real Property and Personal Property Leased With Real Property) (see instructions)

1 Description of property		2 Rent received or accrued	3 Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)		
(1)			
(2)			
(3)			
(4)			
Total		Total	Total deductions. Enter here and on page 1, Part I, line 6, column (B)...

Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A)..... ▶

Schedule E – Unrelated Debt-Financed Income (see instructions)

1 Description of debt-financed property	2 Gross income from or allocable to debt-financed property	3 Deductions directly connected with or allocable to debt-financed property		
		(a) Straight line depreciation (attach sch)	(b) Other deductions (attach schedule)	
(1)				
(2)				
(3)				
(4)				
4 Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5 Average adjusted basis of or allocable to debt-financed property (attach schedule)	6 Column 4 divided by column 5	7 Gross income reportable (column 2 x column 6)	8 Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		
Totals ▶		Enter here and on page 1, Part I, line 7, column (A).		Enter here and on page 1, Part I, line 7, column (B).

Total dividends-received deductions included in column 8..... ▶

Schedule F – Interest, Annuities, Royalties, and Rents from Controlled Organizations (see instructions)

1 Name of Controlled Organization	2 Employer Identification Number	Exempt Controlled Organizations				
		3 Net unrelated income (loss) (see instructions)	4 Total of specified payments made	5 Part of column 4 that is included in the controlling organization's gross income	6 Deductions directly connected with income in column 5	
(1)						
(2)						
(3)						
(4)						
Nonexempt Controlled Organizations		7 Taxable Income	8 Net unrelated income (loss) (see instructions)	9 Total of specified payments made	10 Part of column 9 that is included in the controlling organization's gross income	11 Deductions directly connected with income in column 10
(1)						
(2)						
(3)						
(4)						
Totals ▶				Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A).	Add columns 6 and 11. Enter here and on page 1, part I, line 8, column (B).	

Schedule G – Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions)

1 Description of income	2 Amount of income	3 Deductions directly connected (attach schedule)	4 Set-asides (attach schedule)	5 Total deductions and set-asides (column 3 plus column 4)
(1)				
(2)				
(3)				
(4)				
Totals	Enter here and on page 1, Part I, line 9, column (A).			Enter here and on page 1, Part I, line 9, column (B).

Schedule I – Exploited Exempt Activity Income, Other Than Advertising Income (see instructions)

1 Description of exploited activity	2 Gross unrelated business income from trade or business	3 Expenses directly connected with production of unrelated business income	4 Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute columns 5 through 7.	5 Gross income from activity that is not unrelated business income	6 Expenses attributable to column 5	7 Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals	Enter here and on page 1, Part I, line 10, column (A)	Enter here and on page 1, Part I, line 10, column (B).				Enter here and on page 1, Part II, line 26.

Schedule J – Advertising Income (See instructions.)

Part I Income From Periodicals Reported on a Consolidated Basis

1 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising gain or (loss) (column 2 minus column 3). If a gain, compute columns 5 through 7.	5 Circulation income	6 Readership costs	7 Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5))						

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

(1)						
(2)						
(3)						
(4)						
(5) Totals from Part I						
Totals , Part II (lines 1-5)	Enter here and on page 1, Part I, line 11, column (A).	Enter here and on page 1, Part I, line 11, column (B).				Enter here and on page 1, Part II, line 27.

Schedule K – Compensation of Officers, Directors, and Trustees (see instructions)

1 Name	2 Title	3 Percent of time devoted to business	4 Compensation attributable to unrelated business
		%	
		%	
		%	
		%	

Total. Enter here and on page 1, Part II, line 14.

CLIENT 7317

SAN CLEMENTE CHAMBER OF COMMERCE

95-1451751

11/06/08

08:12AM

STATEMENT 1
FORM 990-T, PART I, LINE 12
OTHER INCOME

BUSINESS DIRECTORY.....		\$	216,176.
	TOTAL	\$	<u>216,176.</u>

STATEMENT 2
FORM 990-T, PART II, LINE 28
OTHER DEDUCTIONS

ADVERTISING.....		\$	950.
AUTOMOBILE EXP.....			335.
BANK CHARGES.....			1,600.
CLEANING.....			700.
COMPUTER EXP.....			638.
DIRECTORY PRINTING & DELIVERY.....			103,655.
DUES & SUBSCRIPTIONS.....			920.
EQUIPMENT RENT.....			333.
INSURANCE.....			4,350.
MAINTENANCE.....			2,197.
MEALS.....			1,350.
OCCUPANCY.....			1,587.
OFFICE SUPPLIES.....			4,427.
POSTAGE & DELIVERY.....			1,846.
PROFESSIONAL FEES.....			8,500.
SECURITY.....			117.
TELEPHONE.....			683.
WEBSITE.....			325.
	TOTAL	\$	<u>134,513.</u>

STATEMENT 3
FORM 990-T, PART II, LINE 31
NET OPERATING LOSS DEDUCTION

LOSS YEAR ENDING	ORIGINAL LOSS	LOSS PREVIOUSLY USED	LOSS AVAILABLE
3/31/93	\$ 20,465.	\$ 0.	\$ 20,465.
3/31/94	47,845.	0.	47,845.
3/31/97	1,023.	0.	1,023.
3/31/98	49,649.	0.	49,649.
1/31/00	17,057.	0.	17,057.
1/31/02	701.	0.	701.
1/31/03	1,552.	0.	1,552.
1/31/04	29,882.	0.	29,882.
NET OPERATING LOSS AVAILABLE.....			\$ 168,174.
TAXABLE INCOME.....			\$ -24,407.
NET OPERATING LOSS DEDUCTION (LIMITED TO TAXABLE INCOME).....			\$ <u>0.</u>

**Depreciation and Amortization
(Including Information on Listed Property)**

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return

SAN CLEMENTE CHAMBER OF COMMERCE

Identifying number

95-1451751

Business or activity to which this form relates

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See the instructions for a higher limit for certain businesses	1	\$125,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation.	3	\$500,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions.	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29.	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7.	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8.	9	
10	Carryover of disallowed deduction from line 13 of your 2006 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11.	12	
13	Carryover of disallowed deduction to 2008. Add lines 9 and 10, less line 12.	▶ 13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election.	15	
16	Other depreciation (including ACRS).	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2007.	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here.	▶ <input type="checkbox"/>	

Section B – Assets Placed in Service During 2007 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only — see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property.						
b 5-year property.						
c 7-year property.						
d 10-year property.						
e 15-year property.						
f 20-year property.						
g 25-year property.			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	

Section C – Assets Placed in Service During 2007 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (see instructions)

21	Listed property. Enter amount from line 28.	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations — see instructions	22	
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs.	23	

11/06/08

08:12AM

UNRELATED BUSINESS EXPENSES NET OPERATING LOSS CARRYOVER

3/31/88	\$ 2,744
3/31/89	3,888
3/31/90	29,571
3/31/91	4,249
3/31/92	27,812
3/31/93	20,465
3/31/94	47,845
USED 3/31/95	- 514
USED 3/31/96	- 2,759
3/31/97	1,023
3/31/98	49,649
USED 1/31/99	-24,968
1/31/00	17,057
USED 1/31/01	-10,719
1/31/02	701
1/31/03	1,552
1/31/04	29,882
USED 1/31/06	-25,889

TOTAL	171,589