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Certified Public Accountants and Business Advisors

March 7, 2011

To the Board of Directors of
Kalispell Area Chamber of Commerce

In planning and performing our audit of the financial statements of Kalispell Area Chamber of Commerce (Organization) as of December 31, 2010, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

Board of Directors of
Kalispell Area Chamber of Commerce

Communication with Those Charged with Governance

We have audited the financial statements of Kalispell Area Chamber of Commerce for the year ended December 31, 2010, and have issued our report, thereon, dated March 7, 2011. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated February 24, 2011, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements are fairly presented, in all material respects, in accordance with the accounting standards generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Kalispell Area Chamber of Commerce are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

The estimated amount of net dues receivable. We evaluated these allocations in determining that they are reasonable in relation to the financial statements taken as a whole.

Disclosures

The disclosures in the financial statements are neutral, consistent, and clear. No financial statement disclosures were deemed to be particularly sensitive because of their significance to the financial statement users. Accordingly, no specific disclosures have been presented in this section.

Board of Directors of
Kalispell Area Chamber of Commerce

Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the Organization's financial reporting process (that is, cause future financial statements to be materially misstated). In our judgment, none of the adjustments we proposed, whether recorded or unrecorded by the Organization, either individually or in the aggregate indicate matters that could have a significant effect on the Organization's financial reporting process. All of the attached adjustments have been recorded in the Organization's general ledger and are reflected in the accompanying audited financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 7, 2011.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Board of Directors of
Kalispell Area Chamber of Commerce

The intent of the following information is to communicate to you other recommendations based on our observations during the audit. Summarized below are suggestions of importance that we believe warrant your attention.

Bank reconciliations

Bank reconciliations are not reviewed by someone other than the person who is preparing them. We recommend a secondary review in order to catch any mistakes or unusual activity. We would also recommend a board member review the bank statements, canceled checks, and monthly check registers to note amounts and payees.

Credit cards and Executive Director expenses

We recommend someone on the board of directors or some other independent party review's executive director expenses, including credit card charges.

General Comment

Due to the size of the accounting staff it is impossible to have a true separation of duties for all internal control functions, but it is important for management and the board of directors to be mindful of risks within the Organization and to perform period reviews of financial information or processes. This would include items such as the timely and proper review of bank statements and reconciliations.

Conclusion

This information is intended solely for the use of the Board of Directors and management of Kalispell Area Chamber of Commerce and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Junkermier, Clark, Campanella, Stevens, P.C.

Certified Public Accountants and Business Advisors

Attachments

Kalispell Area Chamber of Commerce

Year End: December 31, 2010

All Journal Entries

Date: 1/1/2010 To 12/31/2010

Number	Date	Type	Name	Account No	Reference	Debit	Credit	Recurrence
AJE 2	12/31/2010	R	Intercompany A/R	1203 CHAMBE			39,171	
AJE 2	12/31/2010	R	SBDC - Accounts Payable	2000 SBDC		13,757		
AJE 2	12/31/2010	R	Accounts Payable	2000 PTAC		16,443		
AJE 2	12/31/2010	R	Accounts Payable	2000 TBID		5,204		
AJE 2	12/31/2010	R	Accounts Payable	2000 FOUNDA		1,695		
AJE 2	12/31/2010	R	Accounts Payable	2000 BT		2,072		
AJE 2	12/31/2010	R	Grants	5610 FOUNDA			10,000	
AJE 2	12/31/2010	R	Eliminating Balance Sheet	998.00 CHAMBE		39,171		
AJE 2	12/31/2010	R	Eliminating Equity	998.20 FOUNDA			1,695	
AJE 2	12/31/2010	R	Eliminating Equity	998.30 BT			2,072	
AJE 2	12/31/2010	R	Eliminating Balance Sheet	998.40 PTAC			16,443	
AJE 2	12/31/2010	R	Eliminating Equity	998.60 SBDC			13,757	
AJE 2	12/31/2010	R	Eliminating Equity	998.80 TBID			5,204	
AJE 2	12/31/2010	R	Income eliminating	999.20		10,000		
To eliminate intercompany 100% of Inter A/R -								Recurring
AJE 3	12/31/2010	R	SBDC - Accounts Receivable	1200 SBDC			2,859	
AJE 3	12/31/2010	R	Accounts Receivable	1200 PTAC			3,287	
AJE 3	12/31/2010	R	Accounts Receivable	1200 FOUNDA			101	
AJE 3	12/31/2010	R	Accounts Payable	2000 CHAMBE		6,247		
AJE 3	12/31/2010	R	Eliminating Balance Sheet	998.00 CHAMBE			6,247	
AJE 3	12/31/2010	R	Eliminating Equity	998.20 FOUNDA		101		
AJE 3	12/31/2010	R	Eliminating Balance Sheet	998.40 PTAC		3,287		
AJE 3	12/31/2010	R	Eliminating Equity	998.60 SBDC		2,859		
To eliminate intercompany payable from Chamber								Recurring
AJE 4	12/31/2010	R	Sm Business Develop. Center	4900 CHAMBE		33,878		
AJE 4	12/31/2010	R	PTAC	4950 CHAMBE		38,572		
AJE 4	12/31/2010	R	Sm. Business Develop. Ctr	5900 CHAMBE			33,878	
AJE 4	12/31/2010	R	PTAC Expenses	5950 CHAMBE			38,572	
To eliminate 100% of SBDC & PTAC income and expense per TB								Recurring
AJE 6	12/31/2010	R	Administration Fee	4120 CHAMBE		2,890		
AJE 6	12/31/2010	R	Grants	4800 CHAMBE		10,000		
AJE 6	12/31/2010	R	Administration	5010 BT			200	
AJE 6	12/31/2010	R	Management Fee	5040 FOUNDA			2,890	
AJE 6	12/31/2010	R	Rent - Office	5630 PTAC			3,900	
AJE 6	12/31/2010	R	PTAC	4110.3 CHAMBE		3,900		
AJE 6	12/31/2010	R	CH - Tenant Income (Rent)	435.00 CHAMBE				
AJE 6	12/31/2010	R	Eliminating Income	999.00 CHAMBE			6,990	
AJE 6	12/31/2010	R	Eliminating Income	999.00 CHAMBE			10,000	
AJE 6	12/31/2010	R	Income eliminating	999.20 FOUNDA		2,890		
AJE 6	12/31/2010	R	Income Eliminating	999.30 BT		200		
AJE 6	12/31/2010	R	Income Eliminating	999.40 PTAC		3,900		
AJE 6	12/31/2010	R	FCVB	4110.14 CHAMBE		200		
To eliminate 100% of rent income from PTAC and Bed Tax and adm fee income from foundation.								Recurring
AJE 7	12/31/2010	R	Photocopy & Postage	4140 CHAMBE		15,038		
AJE 7	12/31/2010	R	Photocopy & Postage	4140 CHAMBE			5,252	
AJE 7	12/31/2010	R	Office	6160 CHAMBE			4,470	
AJE 7	12/31/2010	R	Postage	6380 CHAMBE			5,316	
To eliminate related party charges for office expenses								Recurring
AJE 8	12/31/2010	N	Membership Dues A/R	1201 CHAMBE			975	

Kalispell Area Chamber of Commerce

Year End: December 31, 2010

All Journal Entries

Date: 1/1/2010 To 12/31/2010

Number	Date	Type	Name	Account No	Reference	Debit	Credit	Recurrence	
AJE 8	12/31/2010	N	Retained Earnings	3900 CHAMBE		1,524			
AJE 8	12/31/2010	N	Retained Earnings	3900 BT		5,158			
AJE 8	12/31/2010	N	Administration	5010 BT			5,158		
AJE 8	12/31/2010	N	Telephone	6480 CHAMBE			549		
To correct beginning equity accounts to match to the PY ending									
AJE 9	12/31/2010	N	Equipment Accum Depr	1610 PTAC			477		
AJE 9	12/31/2010	N	Accum Depr - Leasehold	1620 CHAMBE			1,814		
AJE 9	12/31/2010	N	Accum Depr - Equipment	1720 CHAMBE					
AJE 9	12/31/2010	N	Amortization Web Site	1820 CHAMBE			1,632		
AJE 9	12/31/2010	N	Accum Depr-Web Site	1820 FOUNDA			76		
AJE 9	12/31/2010	N	Depreciation	9910 CHAMBE		3,446			
AJE 9	12/31/2010	N	FO - Depreciation Expense	600.29 FOUNDA		76			
AJE 9	12/31/2010	N	PTAC - Depreciation Expense	600.48 PTAC		477			
To adjust ending Accum Depreption and dep exp,									
AJE10	12/31/2010	R	Trade Missions	4560.2 CHAMBE			300		
AJE10	12/31/2010	R	Trade Missions	5560.2 CHAMBE		300			
DO NOT POST - To reclassify the negative revenue in Trade Missions account									
AJE11	12/31/2010	N	SBDC - Accounts Receivable	1200 SBDC		42			
AJE11	12/31/2010	N	Accounts Payable	2000 CHAMBE		186			
AJE11	12/31/2010	N	Bank Fees	6040 CHAMBE			186		
AJE11	12/31/2010	N	SBDC - Income	466.60 SBDC			42		
Additional entries provided by client to book.									
						223,513	223,513		
Net Income (Loss)						113,725			