

To the Board of Directors
Team San Jose, Inc. dba San Jose Convention and Visitors Bureau
San Jose, California

In planning and performing our audit of the financial statements of Team San Jose, Inc. dba San Jose Convention and Visitors Bureau (the Organization) as of and for the year ended June 30, 2009, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization's internal control over financial reporting 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, during our audit, we noted certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated February 5, 2010 on the financial statements of the Organization. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, perform any additional study of these matters, or assist you in implementing the recommendations. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters.

We believe that the implementation of these recommendations will provide the Organization with a stronger system of internal control while also making its operations more efficient. We will be happy to discuss the details of these recommendations with you and assist in any way possible with their implementation.

This communication is intended solely for the information and use of management, Board of Directors, others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

We would like to express our appreciation for the opportunity to serve Team San Jose, Inc. dba San Jose Convention & Visitors Bureau and to the staff for their efforts during our examination.



Petrinovich Pugh & Company, LLP

San Jose, California
February 5, 2010

MEMORANDUM

CASH

- During the course of our audit, we noted that the Organization had cash on deposit in excess of the federally insured limit in a financial institution. This presents a potential for losses to the Organization in the event of bank or institutional failure. We understand that due to the large deposits of cash receipts it is difficult to maintain less than federally insured limit in the operating account. We strongly suggest that management closely monitor cash balances and transfer excess balances to other banks, where possible, to reduce the potential for loss of monetary amounts in excess of the federally insured level.

Management's comments:

Management is aware that the cash on deposit is in excess of the federally insured limit for a single financial institution. On a regular basis, management regularly monitors the cash balance and regularly reviews the financial stability of the bank.

ACCOUNTS RECEIVABLE

- During the course of our audit, we noted that the Organization did not consistently follow its Aged Receivable Policy to calculate allowance for doubtful accounts.

We recommend that the Organization consistently follow its Aged Receivable Policy when calculating the allowance for doubtful accounts to ensure consistent and accurate financial reporting. We understand that Management may change the calculation based on professional judgment and collection history. However, the Aged Receivable Policy should be amended to reflect this option.

Management's comments:

Management will present a change to the Finance Committee to reflect the suggestion to add that management may alter the calculation of the allowance for doubtful accounts based on professional judgment and collection history.