



LAUTZE & LAUTZE
CPAs & FINANCIAL ADVISORS

To Whom It May Concern:

We have audited the financial statements of *San Jose Community Media Access Corporation dba CreaTV San Jose* (CreaTV) as of December 31, 2009 and for the year then ended. Please see our audit report dated April 7, 2010 for our opinion on these financial statements.

Our audit was prepared in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. In accordance with these standards, we have considered CreaTV's internal control over financial reporting and on its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. In considering CreaTV's internal controls, we have identified two deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

The first deficiency noted was issued based on Statement on Auditing Standards No. 115, *Communicating Internal Control Related Matters Identified in an Audit* (SAS 115). This standard requires us to communicate our assessment as to the propriety of the internal control process regarding financial reporting, including the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America. Normally, absent a Certified Public Accountant on staff or on the Board of Directors, few entities are capable of preparing a complete set of financial statements including the required note disclosures in accordance with accounting principles generally accepted in the United States of America, which is necessary to satisfy the requirements of SAS 115.

The second deficiency noted was related to segregation of duties. We believe that the limited size of CreaTV's accounting staff at this time prohibits complete adherence to this concept.

Lautze and Lautze want to emphasize that the weaknesses noted above are not necessarily caused by inadequacies at CreaTV, but are inherent limitations, given the size of CreaTV. Also, we believe that it is important to note that these conditions are very common in both the non-profit and private sectors.

San Jose, California
April 7, 2010