

THE TECH MUSEUM
OF INNOVATION

Report to Audit Committee Members
Period Ended June 30, 2006

June 13, 2007

To the Audit Committee Members of
The Tech Museum of Innovation

We have audited the financial statements of The Tech Museum of Innovation (“The Tech”) for the year ended June 30, 2006 and have issued our report dated June 13, 2007. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under Auditing Standards Generally Accepted in the United States of America

As stated in our engagement letter dated June 28, 2006, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with accounting standards generally accepted in the United States of America. Because an audit is designed to provide reasonable, but not absolute, assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

As part of our audit, we considered the internal control of The Tech. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by The Tech are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2006. We noted no transactions entered into by the Organization during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Management changed the Organization’s year end in 2006 from December 31 to June 30.

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(s) affecting the financial statements was (were):

- Present value discount calculations
- Allowance for uncollectable contributions
- Depreciable lives of exhibited-related assets
- Contributed services

Management's estimate of the present value discount calculations and allowance for uncollectable contributed support is based on analysis of the receivables and reflects amounts which, in management's judgment, are adequate to provide for discounts to present value and potential losses after giving consideration to the character of the receivables, current economic conditions, past collections experience, expected rates of return, expected recovery periods and such other factors that deserve current recognition in estimating values. We evaluated the key factors and assumptions used to develop the present value discount calculations and allowance for uncollectable contributed support in determining that it is reasonable in relation to the financial statements taken as a whole.

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 (see attached), which were recorded by the Organization, either individually or in the aggregate, indicate matters that could have a significant effect on the Organization's financial reporting process.

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.

Consultation 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.

Difficulties Encountered in Performing the Audit

Other than delays in providing schedules and requested information, we encountered no difficulties in dealing with management in performing and completing our audit.

This information is intended solely for the use of the Audit Committee, the Board of Directors, and management of The Tech Museum of Innovation and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink, appearing to read "Daniel Santapric". The signature is written in a cursive style with a large, sweeping initial "D".

San Jose, California
June 13, 2007

AJE No.	Account Name	Account Number	Debits	Credits
1	Grants and Other Receivables	81 00-00-1104	24,668.00	
1	Samson Capital Advisors	81 00-00 1602		24,668.00
	<i>To reclass the accrued income from investments to other receivables.</i>			
2	Grants NIH receivable	21 00-00 1106	12,694.00	
2	Other receivables	21 00-00 1104		12,694.00
	<i>To reclass the NIH receivable for financial statement purposes.</i>			
3	CSH - Bank of America	21 00-00 1005	6,667.00	
3	Accrued Expenses - Other	21 00-00 2140		6,667.00
	<i>To record accrued interest for the month of June on loan with B of A.</i>			
4	PAY: Accounts Payable	21 00-00 2110	16,282.22	
4	PAY: Loan - Premium Financing	21 00-00 2118		16,101.17
4	ADMIN: Interest	21 00-00 7300		181.65
	<i>To reclass the July 2007 payment from payables to loan payable and interest expense</i>			
5	PAY: Accounts Payable	21 00-00 2112	17,000.00	
5	MAR: Advertising and Promotion	21 00-40 6700		17,000.00
	<i>To adjust advertising payables to actual amount per T. Boyle</i>			
6	OTHER: Unrealiz Gain/L Stock	81 00-00 4926	10,326.00	
6	INV: Univ Tech	81 00-00 1600		10,326.00
	<i>To adjust UTV balance to actual at 06/30/06</i>			
7	ASPT: Annual Support-Mbershp	21 00-00 4211	102,521.00	
7	PAY: Deferred Membership	21 00-00 2136		102,521.00
	<i>To adjust deferred membership to actual</i>			