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Group, LLP
Certified Public Accountants

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June 19, 2007

To the Members
Sanders, Bledsoe & Hewett
Certified Public Accountants, LLP

We have reviewed the system of quality control for the accounting and auditing practice of **Sanders, Bledsoe & Hewett, CPA's, LLP** (the firm) in effect for the year ended May 31, 2007. A system of quality control encompasses the firm's organizational structure, the policies adopted and procedures established to provide it with reasonable assurance of conforming with professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of Certified Public Accountants (AICPA). The firm is responsible for designing a system of quality control and complying with it to provide the firm reasonable assurance of conforming with professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance with its system of quality control based on our review.

Our review was conducted in accordance with standards established by the Peer Review Board of the AICPA. During our review, we read required representations from the firm, interviewed firm personnel and obtained an understanding of the nature of the firm's accounting and auditing practice, and the design of the firm's system of quality control sufficient to assess the risks implicit in its practice. Based on our assessments, we selected engagements and administrative files to test for conformity with professional standards and compliance with the firm's system of quality control. The engagements selected represented a reasonable cross-section of the firm's accounting and auditing practice with emphasis on higher-risk engagements. The engagements selected included among others, audits of engagements performed under *Government Auditing Standards*. Prior to concluding the review, we reassessed the adequacy of the scope of the peer review procedures and met with firm management to discuss the results of our review. We believe that the procedures we performed provide a reasonable basis for our opinion.

In performing our review, we obtained an understanding of the system of quality control for the firm's accounting and auditing practice. In addition, we tested compliance with the firm's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the firm's policies and procedures on selected engagements. Our review was based on selected tests therefore it would not necessarily detect all weaknesses in the system of quality control or all instances of noncompliance with it. There are inherent limitations in the effectiveness of any system of quality control and therefore noncompliance with the system of quality control may occur and not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

Sanders, Bledsoe & Hewett, CPA's, LLP

June 19, 2007

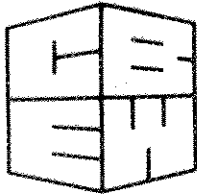
Page 2

In our opinion, the system of quality control for the accounting and auditing practice of **Sanders, Bledsoe & Hewett, CPA's, LLP** in effect for the year ended May 31, 2007 has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA and was complied with during the year then ended to provide the firm with reasonable assurance of conforming with professional standards.

As is customary in a system review, we have issued a letter under this date that sets forth comments that were not considered to be of sufficient significance to affect the opinion expressed in this report.

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We have reviewed the system of quality control for the accounting and auditing practice of **Sanders, Bledsoe & Hewett, CPA's, LLP** (the firm) for the year ended May 31, 2007, and have issued our report thereon dated June 19, 2007. That report should be read in conjunction with the comments in this letter, which were considered in determining our opinion. The matters described below were not considered to be of sufficient significance to affect the opinion expressed in that report.

Comment: As part of its system of quality control the firm performs ongoing monitoring procedures through pre-issuance reviews and annual inspections. During our review we noted that through an oversight a member was short eight hours in complying with the continuing professional education requirements of the Government Accountability Office over a prior two year period. The member plans to satisfy the current two-year period requirement to include additional hours as necessary. Additionally, our review noted instances where guidance materials and practice aids had not been consistently utilized in selected engagements resulting in instances where minor reporting, presentation, and documentation deficiencies were identified in engagements reviewed. These deficiencies occurred in engagements that were not the primary concentration of the firm. These matters were not identified during the firm's ongoing monitoring procedures. A similar monitoring finding was also noted on the firm's previous peer review.

Recommendation: In order to accomplish its monitoring objectives of evaluating (1) the relevance and adequacy of quality control policies and procedures; (2) the appropriateness of guidance materials and practice aids; (3) the effectiveness of professional development programs; and (4) compliance with policies and procedures, the firm should reinforce its policies and procedures applicable to all engagements performed by the firm. The firm should continue to evaluate the appropriateness of guidance materials and practice aids and make appropriate timely revisions as necessary to comply with professional standards. Additionally, the firm should insure that all continuing education records are updated as part of the ongoing monitoring of compliance.

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