

# *Johnson, Thomas & Cunningham*

*Certified Public Accountants*

*Eddie G. Johnson, C.P.A. — A Professional Corporation (1997-1996)*

*Mark D. Thomas, C.P.A. — A Professional Corporation*  
*Roger M. Cunningham, C.P.A. — A Professional Corporation*

*Jessica H. Broadway, C.P.A.*

*321 Bonville Street*  
*Natchitoches, Louisiana 71457*  
*(318) 352-3652*  
*Fax (318) 352-4447*

January 23, 2007

To the Owner  
Deborah D. Dees, CPA

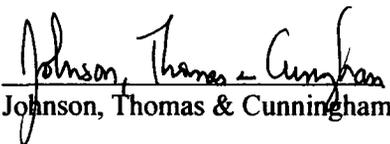
We have reviewed the system of quality control for the accounting and auditing practice of Deborah D. Dees, CPA (the firm) in effect for the year ended August 31, 2006. A system of quality control encompasses the firm's organizational structure, the policies adopted and procedures established to provide 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 CPAs (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, 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.

In our opinion, the system of quality control for the accounting and auditing practice of Deborah D. Dees, CPA in effect for the year ended August 31, 2006, 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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January 23, 2007

To the Owner  
Deborah D. Dees, CPA

We have reviewed the system of quality control for the accounting and auditing practice of Deborah D. Dees, CPA (the firm) in effect for the year ended August 31, 2006, and have issued our report thereon dated January 23, 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-** The firm's quality control policies and procedures require the completion of a financial reporting and disclosure checklist on each financial statement engagement. Our review disclosed instances in which there were inappropriate answers on this checklist. As a result, the financial statements on a compilation engagement did not present a current portion of long-term debt and also presented a deficit cash balance as a negative asset instead of a current liability. In addition, the financial statements presented on a review engagement of a governmental entity did not present a reserved portion of the fund balance for the entity's long-term debt. These departures from standards did not cause the financial statements to be misleading.

**Recommendation-** The firm should reemphasize its policies and procedures regarding the proper completion of the reporting and disclosure checklist in the review stage of engagements.

  
Johnson, Thomas & Cunningham

*Deborah D. Dees, MBA, CPA*



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CERTIFIED PUBLIC ACCOUNTANT

January 24, 2007

Society of Louisiana CPAs  
Peer Review Department—Confidential  
2400 Veteran's Boulevard, Suite 500  
Kenner, LA 70062-4739

Ladies and Gentlemen:

This letter represents my response to the report and letter of comments issued in connection with the review of my firm's system of quality control for the accounting and auditing practice in effect for the year ended August 31, 2006.

Financial reporting and disclosure checklists. The interim compilation presentation issues and the bookkeeping adjustments necessary to correct them have been discussed with all personnel involved. I will be more diligent in my monthly reviews of the statements. In addition, I am reminded that the disclosure checklist should be conscientiously completed.

I believe these actions are responsive to the findings of the review.

Sincerely,

*Deborah D. Dees, CPA*

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