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December 17, 2008

To The Partners
Nieland & Kosanke, P.C.

We have reviewed the system of quality control for the accounting and auditing practice of Nieland & Kosanke, P.C. (the firm) in effect for the year ended October 31, 2008. 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 an engagement 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, except for the effects of the deficiency described below, the system of quality control for the accounting and auditing practice of Nieland & Kosanke, P.C. in effect for the year ended October 31, 2008, 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.

Reasons for Modified Opinion and Recommendation

Deficiency – The firm's quality control policies and procedures require the firm's personnel to maintain the degree of technical training and proficiency appropriate for the circumstances. We noted engagements performed under Generally Accepted Auditing Standards and *Government Auditing Standards* in which certain required audit procedures were not performed. The omitted procedures include risk assessment and documentation, obtaining management representation letters, using analytical review in the planning process, review of board minutes, and confirmation of cash and loan balances. These engagements were deemed substandard. The firm has subsequently performed the necessary additional procedures to provide a satisfactory basis for its opinion.

Recommendation – The firm's quality control policies and procedures should be revised to require that all professional personnel be required to maintain its technical competencies through appropriate continuing professional education (CPE). The CPE should be planned based on the firm's client base and information garnered should be integrated into the firm's standard auditing procedures. The firm should ensure that this is addressed as part of its ongoing monitoring procedures.

(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 express in this report).

Straley, Ilsley & Lamp P.C.