

A. Creig Odom, CPA, PA
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July 30, 2008

To the firm of
McCay, Kiddy & Associates, LLC

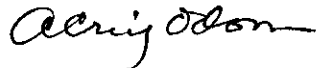
I have reviewed the system of quality control for the accounting and auditing practice of McCay, Kiddy & Associates, LLC (the firm) in effect for the year ended March 31, 2008. A system of quality control encompasses the firm's organizational structure, the policies adopted and procedures established 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. My 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 my review.

My review was conducted in accordance with standards established by the Peer Review Board of the AICPA. During my review, I 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 my assessments, I 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 audit of an Employee Benefit Plan and an engagement performed under *Governmental Auditing Standards*. Prior to concluding the review, I reassessed the adequacy of the scope of the peer review procedures and met with firm management to discuss the results of my review. I believe that the procedures I performed provide a reasonable basis for my opinion.

In performing my review, I obtained an understanding of the system of quality control for the firm's accounting and auditing practice. In addition, I tested compliance with the firm's quality control policies and procedures to the extent I considered appropriate. These tests covered the application of the firm's policies and procedures on selected engagements. My review was based on selective 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 my opinion, the system of quality control for the accounting and auditing practice of McCay, Kiddy & Associates, LLC, in effect for the year ended March 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.

As is customary in a system review, I 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.

A handwritten signature in cursive script that reads "A. Creig Odom".

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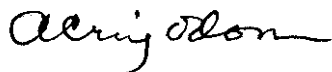
July 30, 2008

To the firm of
McCay, Kiddy & Associates, LLC
Mt. Pleasant, SC 29464

I have reviewed the system of quality control for the accounting and auditing practice of McCay, Kiddy & Associates, LLC (the firm) for the year ended March 31, 2008, and have issued my report thereon dated July 30, 2008. That report should be read in conjunction with the comments in this letter, which were considered in determining my 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 completion of a partner's final review checklist and completion of a reporting and disclosure checklist. However, on one engagement reviewed, I noted an inappropriate answer on this checklist. As a result, the accountants' report for an agreed upon procedures engagement did not include all required reporting elements. The lack of the proper language was not of such significance to make the accountants' report or the financial statements misleading.

Recommendation - The partners of the firm should carefully complete the appropriate reporting and disclosure checklist as part of the final engagement review. In addition, a training session should be held to review with the staff the questions on the financial statement reporting and disclosure checklists used by the firm.



A. Creig Odom, CPA, PA



Peer Review Program
SCACPA
570 Chris Drive
West Columbia, SC 29239

Ladies and Gentlemen:

This letter represents our response to the report and letter of comments issued in connection with the review of our accounting and auditing practice for the year ended March 31, 2008. The matters discussed herein were brought to the attention of all personnel at a training session held on August 1, 2008. In addition, the matters discussed in this letter will be given special emphasis in our monitoring procedures.

Financial Reporting and Disclosure Checklists – All professional personnel were reminded of the importance of complying with the firm's policy requiring the completion of its reporting and disclosure checklists at the training session held August 1, 2008. In addition, a peer review checklist will be used in the final engagement owner's review of agreed upon procedures engagements.

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

Sincerely,

McCay, Kiddy & Associates, LLC

McCay, Kiddy & Associates, LLC