

Kenneth D. Folden & Co.

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System Review Report

November 4, 2014

To William R. Hulsey, CPA
William R. Hulsey, APAC
and the Peer Review Committee of the Society of Louisiana CPAs

We have reviewed the system of quality control for the auditing practice of William R. Hulsey, APAC (the firm) in effect for the year ended April 30, 2014. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable 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 therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

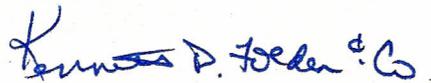
As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

We noted the following deficiency during our review:

1. Deficiency—The firm's quality control policies and procedures require its audit reports to be appropriate in the circumstances. During our review of the audit engagement of an employee benefit plan subject to the Employee Retirement Income Security Act (ERISA) reporting requirements, we noted that the firm's audit report was not properly modified for certain departures from generally accepted accounting principles and an ERISA reporting requirement. Specifically, the accompanying notes to the financial statements contained inaccuracies and were missing required disclosures and the required Schedule of Assets (Held at End of Year) did not accompany the financial statement. In addition, the audit report failed to opine on the accompanying statement of changes in net assets available for benefits. Although an industry specific financial statement reporting and disclosure checklist was used on this engagement, the departures were not identified and as a result the audit report was not modified.

Recommendation—The firm should conduct a training session for all personnel participating in audits of employee benefit plans to review the firm's policies and procedures for the proper utilization of its employee benefit plan specific financial statement reporting and disclosure checklists. In addition, the engagement partner should carefully review these checklists at the completion of an engagement to ensure their proper completion as required by firm policy. When departures are identified, the firm should properly modify its audit report, accordingly.

In our opinion, except for the deficiency described above, the system of quality control for the auditing practice of William R. Hulsey, APAC in effect for the year ended April 30, 2014, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. William R. Hulsey, APAC has received a peer review rating of *pass with deficiencies*.


Certified Public Accountants

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November 11, 2014

Peer Review Committee of the Society of Louisiana Certified Public Accountants

Ladies and Gentlemen:

This letter represents my response to the report issued in connection with the peer review of the firm's system of quality control for the auditing practice in effect for the year ended April 30, 2014. The corrective actions discussed in this letter will be monitored to ensure that they are effectively implemented as part of my system of quality control.

1. I have reviewed my firm's policies and procedures for the proper utilization of my employee benefit plan specific financial reporting and disclosure checklists. I will carefully review these checklists at the completion of each engagement to ensure that proper completion is done as required by my firm policy. When departures are identified, I will properly modify my audit report accordingly. I am reissuing my report to comply with current standards. I will also have a pre-issuance review done by an outside firm on my ERISA report.

As mentioned above, these corrective actions will also be emphasized in my monitoring procedures and internal inspection.

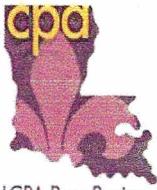
I believe these actions are responsive to the findings of the review.

Sincerely,



William R. Hulsey, CPA

William R. Hulsey, APAC



LCPA Peer Review Program
Administered in Louisiana by the
Society of Louisiana CPAs



AICPA Peer Review Program
Administered by the
Society of Louisiana CPAs

January 29, 2015

William R Hulsey, CPA
William R. Hulsey, APAC
2203 Justice St
Monroe, LA 71201

Dear Mr. Hulsey:

On January 28, 2015 the Society of Louisiana CPAs Peer Review Committee accepted the report on the most recent system peer review of your firm and your firm's response thereto.

The Committee accepted the aforementioned documents with the understanding that the firm will:

- ensure that all professional staff in your firm who work on accounting and auditing engagements participate in at least 16 hours of continuing professional education to include 8 hours in the area of ERISA and 8 hours in the area of reporting and disclosure no later than May 31, 2015. Please send a letter to the Committee detailing the courses taken by each individual within thirty days of that date, along with proof of attendance at the courses. Self study, teleconferences or webcasts will not satisfy this requirement. If you have taken CPE in this or similar areas in the previous six months, please contact the peer review department to determine if the course qualifies.
- permit an outside party, acceptable to the Committee chair, to review the report, financial statements, and working papers on the next ERISA audit engagement issued subsequent to the review PRIOR to release. The outside party should report to the Committee by May 31, 2015 on the results of the review. You must obtain the services of the outside party at your expense and ensure they are acceptable to the committee by contacting the Peer Review Department. Upon completion of the pre issuance review, the reviewer will be required to issue a letter of corrective action to the committee. The committee will review the letter along with any workpapers prepared during the preissuance review and determine if further action will be required. If you do not expect to have an engagement completed in time to meet the deadline, please contact the Peer Review Department with an expected date.

This review is not considered accepted until we receive the signed document.

Letter ID: 955858

State Board Rule 46:XIX:1503.A.5 provides that timely completion of a peer review of firms that have performed attest services (e.g., compilations, reviews, audits, agreed upon procedures, etc.) is required in order to maintain and renew a CPA firm permit to practice.

As defined in Interpretation 25-2 of the Standards the review will not be considered complete until the committee accepts the report and letter of response (if applicable) or decides that the reviewed firm has performed the agreed-to corrective action(s) to the committee's satisfaction and the committee requires no additional corrective action(s) by the reviewed firm. This date is noted in a final letter from the administering entity to the reviewed firm and is posted on the State Board secure website.

Your firm's agreement to take this action voluntarily demonstrates its commitment to the objectives of the profession's practice-monitoring programs. Please acknowledge that agreement by returning a signed copy of this letter to us via email gsnyder@lcpa.org or fax 985-764-4345.

Sincerely,
SOCIETY OF LOUISIANA CPAs

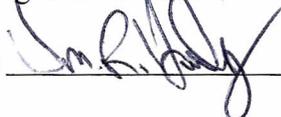


Stacey Lockwood
Director of Professional Oversight
slockwood@lcpa.org 504 904-1136

cc: Kenneth D Folden

Firm Number: 10140701 Review Number: 361127

Acknowledged for the Firm:

Signature:  _____ Date: 2-2-15