

Chizal S. Fontenot, CPA
James L. Nicholson, Jr., CPA
G. Kenneth Pavy, II, CPA
Michael A. Roy, CPA
Lisa Trouille Manuel, CPA
Dana D. Quebedeaux, CPA



JOHN S. DOWLING & COMPANY
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

John S. Dowling, CPA
1904-1984
John Newton Stout, CPA
1936-2005

Retired

Harold Dupre, CPA
1996
Dwight Ledoux, CPA
1998
Joel Lanclos, Jr., CPA
2003
Russell J. Stelly, CPA
2005

System Review Report

December 13, 2011

To the Partners of Agee & Agee, P.C. and the Peer Review Committee of the Louisiana Society of CPA's

We have reviewed the system of quality control for the accounting and auditing practice of Agee & Agee, P.C. (the firm) in effect for the year ended June 30, 2011. 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. 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 the *Government Auditing Standards*.

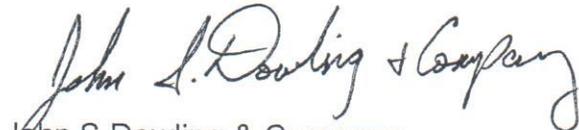
We noted the following deficiency during our review:

Deficiency – The firm's quality control policies require that the reference materials contained in its reference library be consulted in the preparation of compilation, review and audit reports. However, we noted instances where the firm failed to consult these materials and as a result we noted one review report which was issued which did not contain the current language required by professional standards and one audit report which did not contain all elements required by professional standards including the failure to include a title which includes the word "independent", failure to refer to the country of origin of the accounting principles used, and failure to modify the report for the fact that the financial statements did not contain a cash flow statement and were thus not intended to be a full set of financial statements in accordance with generally accepted accounting principles. The missing language in the review report did

not cause the report to be misleading, however, the firm has agreed to recall and reissue the audit report.

Recommendation – We recommend that the firm review its quality control procedures for the preparation of review and audit reports to ensure that all applicable professional standards are adhered to. The firm may want to consider obtaining additional CPE in the area of report preparation.

In our opinion, the system of quality control for the accounting and auditing practice of Agee & Agee, P.C. in effect for the year ended June 30, 2011, 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*. Agee & Agee, P.C. has received a peer review rating of *pass with deficiency*.



John S Dowling & Company



AGEE & AGEE, P.C.

Certified Public Accountants
5925 Line Avenue Suite 9
Shreveport, Louisiana 71106
Office (318) 861-3343
Fax (318) 861-3425
www.AGEEandAGEEcpa.com

December 27, 2011

LCPA Peer Review Program
2400 Veterans Memorial Blvd. Ste. 500
Kenner, LA 70062

Ladies and Gentleman:

This letter represents our response to the report issued in connection with the peer review of the firm's system of quality control for the accounting and auditing practice in effect for the year ended June 30, 2011. The corrective actions discussed in this letter will be monitored to ensure that they are effectively implemented as part of our system of quality control.

We have adopted an internal quality review policy that requires a quarterly review of compilations, reviews, and audits. We believe that adherence to this policy should insure that all reports will meet all professional standards. In addition, each partner/owner will obtain additional continuing professional education in the area of report preparation.

The audit report that did not contain the word, "independent", failed to refer to the country of origin of the accounting principles used, and failure to modify the report for the fact that the financial statements did not contain a cash flow statement that was not intended to be a full set of financial statements in accordance with generally accepted accounting principles is being recalled and will be reissued.

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

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

Sincerely,

Agee & Agee P.C



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



AICPA Peer Review Program
Administered by the
Society of Louisiana CPAs

January 26, 2012

Thomas Anderson Agee, CPA
Agee & Agee, P.C.
5925 Line Ave Ste 9
Shreveport, LA 71106

Dear Mr. Agee:

On January 26, 2012, the Society of Louisiana CPAs Peer Review Committee considered the report on the most recent system peer review of your firm and firm's response thereto.

The Committee accepted the aforementioned documents with the understanding that the firm will take the actions outlined in its response to the report. Compliance with these actions will be monitored during your firm's next review. The due date for your next review is December 31, 2014. This is the date by which all review documents should be completed and submitted to the administering entity.

Thank you for your cooperation and support of the profession's practice-monitoring programs.

Please take a few minutes to complete the enclosed evaluation form concerning the administration of the peer review program. You may return the evaluation form to us via email gsnyder@lcpa.org or fax 985-764-4345. Your opinion is important to us.

Sincerely,
SOCIETY OF LOUISIANA CPAs

Stacey Lockwood
Peer Review Program Director
slockwood@lcpa.org 504 904-1136

cc: George Kenneth Pavy, CPA

Firm Number: 10129572 Review Number:
325448