

Kenneth D. Folden & Co.

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System Review Report

December 27, 2012

To the Owner
Douglas A. Brewer, LLC
and the Peer Review Committee of the Society of Louisiana Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Douglas A. Brewer, LLC (the firm) in effect for the year ended February 29, 2012. 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 the *Government Auditing Standards*.

We noted the following deficiencies during our review:

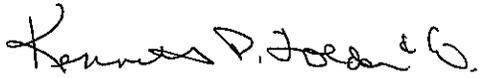
- 1.) Deficiency: The firm's policies and procedures require that on audits performed under OMB Circular A-133 the firm consult with the appropriate compliance supplement in the testing of major programs. On an audit performed under OMB Circular A-133 which included HUD as a major program, we noted that the nature and extent of the documented tests were not sufficient to enable the auditor to reach a conclusion on the effectiveness of the internal control over compliance.

Recommendation: The firm should emphasize the importance of consulting the OMB A-133 Compliance Supplement in the testing of major programs and adequately document all audit testing done.

- 2.) Deficiency: The firm's policies and procedures require the completion of audit programs on all engagements. On an engagement performed under OMB Circular A-133 we noted that on the Schedule of Expenditures of Federal Awards, one of the major programs was not shown as major. However, in our review of the audit workpapers it was evident that this program was considered as major and audited as such, including the applicable compliance supplement areas. The firm will correct and reissue the report to correct this oversight.

Recommendation: The firm should emphasize the importance of correctly completing its audit programs.

In our opinion, except for the deficiencies described above, the system of quality control for the accounting and auditing practice of Douglas A. Brewer, LLC in effect for the year ended February 29, 2012, 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*. Douglas A. Brewer, LLC has received a peer review rating of *pass with deficiencies*.


Kenneth D. Folden & Co.

Douglas A. Brewer, LLC

Certified Public Accountant

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December 27, 2012

The 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 accounting and auditing practice in effect for the year ended February 29, 2012. 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 will review the OMB Circular A-133 Compliance Supplement in greater detail and more adequately document all testing done on internal control and compliance in federal programs.
2. I will review all audit programs more intensely and review my audit reports more closely to insure that all major programs are listed on the Schedule of Findings and Questioned Cost.
3. In addition, I will obtain eight hours of continuing education in Single Audits this coming year.

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,

Douglas A. Brewer, CPA

Douglas A. Brewer, CPA
Douglas A. Brewer, LLC
Certified Public Accountant



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 22, 2013

Douglas A Brewer, CPA
Douglas A. Brewer, CPA
Po Box 1250
Ruston, LA 71273

Dear Mr. Brewer:

On January 22, 2013 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 8 hours of continuing professional education in the area of single audits no later than June 30, 2013. 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.

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

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.

Letter ID: 763452

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

cc: Kenneth D Folden

Firm Number: 4172715 Review Number: 333282

Acknowledged for the Firm:

Signature: Douglas A. Brewer, CPA Date: 1/23/2013