

Bluebonnet Highlands Homeowners' Association
Baton Rouge, Louisiana

**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES**

December 31, 2011



INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Association Council
Bluebonnet Highlands Homeowners' Association

We have performed the procedures enumerated below, which were agreed to by the Association Council of Bluebonnet Highlands Homeowners' Association (the Association), solely to assist you in reviewing the processing of certain cash receipts and disbursements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The agreed-upon procedures and corresponding results are described as follows:

Homeowner Dues Income

1. Select a sample of homes and trace the home owner's dues payment to recording in the accounting system (QuickBooks), and the related deposit into the Association's business checking account.

We randomly selected 25 payments, from the 1,031 registered homeowners, and traced the dues payments to the accounting system and the deposit into the Association's business checking account. Of the 25 homeowners selected, two were delinquent (not paid). Therefore, we were not able to trace the payments to the accounting system, nor were we able to trace the deposit to the Association's business checking account. However, we did review the delinquent account list for the year under examination, which contained the two delinquent homeowners. Of the 23 homes that did remit dues payments, we traced each, without exception, to the accounting system and the Association's business checking account.

Expenditures

1. Select a sample of cash disbursements and review the supporting documentation.

(Continued)

We randomly selected a sample of 25 disbursements, from 515 disbursements made. In our review of the cash disbursements, we tested whether the disbursement was related to expenses of the Association, and whether the expense was appropriate to the Association's operations, properly coded in the general ledger, and agreed to supporting documentation (i.e. vendor invoice). Through our testing, we found no exceptions.

2. Review the relevant bank reconciliations for completeness of total disbursements.

We reviewed the January 31, 2011 and December 31, 2011 bank reconciliations to for completeness of the 515 cash disbursements. Upon review of the bank reconciliations, we found that each reconciliation included outstanding checks, and appeared to be a complete representation of the Association's cash position at December 31, 2011.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion, on the accounting records. Accordingly, we did not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Bluebonnet Highlands Homeowners' Association and is not intended to be and should not be used by anyone other than those specified parties.



Certified Public Accountants

Baton Rouge, Louisiana
August 8, 2012