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Independent Accountant's Report
On Applying Agreed-Upon Procedures

To the Board of Directors
Bluebonnet Highlands Homeowners Association
P.O. Box 82986
Baton Rouge, LA 70884

We have performed the procedures enumerated below, which were agreed to by Bluebonnet Highlands Homeowners Association, solely to assist you with respect to the accounting records of Bluebonnet Highlands Homeowners Association as of December 31, 2008. Management is responsible for the association's accounting records. 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 the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this reports has been requested or for any other purpose.

The agreed-upon procedures performed were as follows:

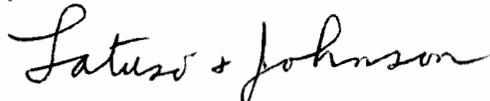
- A. From the listing of checks issued from January 1, 2008 to December 31, 2008, we selected at random 18 checks. We then applied the following procedures:
 1. Examined copies of check images.
 2. Reviewed for unusual or irregular endorsements.
 3. Compared the checks to supporting documentation.
 4. Traced the checks to the general ledger.
 5. Ascertained the coding of the disbursements were proper.
- B. Selected fourteen homes at random and compared dues to deposit records.
- C. Selected July's bank reconciliation and tested the accuracy by reviewing outstanding items to the August bank statement.

FINDINGS

- A. Upon review of the support provided to us by Management, it appears that the 18 randomly selected checks were for expenses deemed to be appropriate expenses of a Homeowner's Association.
- B. Upon review of the support provided to us by Management, it appears that the dues payments for the 14 randomly selected homes were applied to the proper account and deposited into the Homeowners Association's business checking account.
- C. Upon review of the July bank statement, we found there were four checks outstanding for over one year. We recommend that these transactions be investigated to determine if they should be written off.
- D. We noted that Check #1964 was voided, and according to Management, was discarded upon being voided. We ascertain that this transaction was properly not recorded in the general ledger. We then examined the January and February 2008 bank statements to ensure that the check did not clear the bank. We suggest that voided checks be defaced, but not discarded.

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 do 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.



Latuso & Johnson, CPA, LLC
Baton Rouge, LA

April 9, 2009