

**Bluebonnet Highlands Homeowners' Association**  
Baton Rouge, Louisiana

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

December 31, 2012

**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.

We performed the procedures enumerated below, which were agreed to by management of the Association and relate to the operations of the Association.

**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 homeowners, from the 1,069 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, one was delinquent (not paid). Therefore, we were not able to trace the payment 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 delinquent homeowner. Of the 24 homes that did remit dues payments, we traced each, without exception, to the accounting system and the Association's business checking account.

(Continued)

## Expenditures

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

We randomly selected a sample of 25 disbursements, from 598 disbursements made. In our review of the cash disbursements, we tested whether the disbursement was identified by the vendor as being related to operations of the Association, and whether the expense was 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 recalculated the December 31, 2012 cash balance by adding 2012 deposit totals and subtracting the 2012 disbursement totals from the December 31, 2011 reconciled cash balance. Additionally, upon review of the bank reconciliations, we found that the reconciliations included outstanding checks, and appeared to be a complete representation of the Association's cash transactions and balances.

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  
January 20, 2014