



Montemayor Hill Britton & Bender PC

CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors and Management
Ruby Ranch Home Owners Association

INDEPENDENT ACCOUNTANT'S AGREED-UPON PROCEDURES REPORT

At your request and agreement, we have performed the procedures enumerated below, which were agreed to by the Board of Directors and Management ("specified parties"), solely to assist you in assessing the validity and accuracy of Ruby Ranch Home Owners Association (HOA) financial records and transactions for the year ended December 31, 2014. The specified parties are responsible for the validity and accuracy of the HOA's financial records and transactions.

The agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the 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 for the purpose for which this report has been requested or for any other purpose.

PROCEDURES PERFORMED

FINDINGS

1. Created bank reconciliations for 3 months during the year:

- A. We agreed outstanding deposits and checks to the subsequent bank statement or online bank records.

Check #2428 and #2432 for \$24.77 and \$271.22, outstanding as of 7/31/14 cleared in the September 2014 bank statement.

- B. We agreed the reconciled bank balances to the general ledger.

None noted



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PROCEDURES PERFORMED

FINDINGS

2. Randomly selected sample of 20 expense transactions:

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|----|--|---|
| A. | We agreed the general ledger transaction to supporting documentation. | Perdenales electric bill was underpaid by \$.04 (check number 2426 dated 7/5/14 for \$265.45). |
| B. | We agreed the amount paid and payee per the supporting documentation to a canceled check, credit card statement, or electronic bank draft. | None noted |
| C. | We agreed the signature for check payments to the authorized signature cards. | 7 out of 20 checks tested did not have dual signatures as required by procedures. |
| D. | If the vendor was not a well known vendor, we tested vendor validity by looking up the vendor on the internet, or calling the vendor to verify validity. | None |

PROCEDURES PERFORMED

FINDINGS

3. We calculated expected dues revenue compare the amounts to recorded revenue.

See below

	<u>Maintenance and Operating</u>	<u>Gate 4 and 5</u>	<u>Gate 7 and 8</u>	<u>Total</u>
Annual lot assessments	\$325	\$90	\$60	
Number of members (provided by bookkeeper)	<u>323</u>	<u>46</u>	<u>85</u>	
Calculated accrual based revenue	<u>\$104,975</u>	<u>\$4,140</u>	<u>\$5,100</u>	<u>\$114,215</u>
Cash basis revenue per Quicken				\$122,400
Add December 31, 2014 receivables				\$9,911
Subtract December 31, 2014 receivables				<u>(\$17,927)</u>
Accrual basis revenue				<u>\$114,384</u>
Difference				<u>(\$169)</u>



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General Finding on Controls over Bank Reconciliations, Cash Receipts, and Cash Disbursements:

There is a lack of separation of duties in controls related to incoming cash receipts and bank reconciliations. Incoming mail is picked up by the same person that processes the deposits and enters deposits into Quicken. Deposits of cash receipts, the entry of deposits into the general ledger, and the entry of payment data into Quicken is performed by one person. Additionally, cash disbursements and bank reconciliations are performed by the same person.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion, on the compliance with trust account rules. 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. The report is intended solely for the information and use of the Board of Directors and Management and is not intended to be and should not be used by anyone other than these specified parties.

Montemayor Hill Britton & Bender PC

11 March 2015
Austin, Texas