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Independent Accountant's Report
On Applying Agreed-Upon Procedures

To the parties at interest
Urbanna Harbour Yacht Club
P.O. Box 404
Urbanna, VA 23175

At your request, we have performed certain agreed-upon procedures, as enumerated below, with respect to the EVB operating checking account # [REDACTED], EVB capital improvement account # [REDACTED], and EVB money market deposit account # [REDACTED] of Urbanna Harbour Yacht Club as of July 31, 2013. The parties at interest are responsible for the organization'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 purposes for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. We tested the adequacy of the organization's bank deposits under FDIC insurance coverage limits for all three bank accounts. As of July 31, 2013 and the 365 days then ended, the organization's combined cash balances exceeded the FDIC insurance coverage limits of \$250,000 62 days from the period beginning April 5, 2013 and ending June 5, 2013. The overall cash balance exceeded the FDIC limit with values ranging from \$2,282.96 to \$11,712.84, with the average excess over the limit of \$7,707.78. We recommend that the organization attempt to eliminate this risk by opening a bank account at another financial institution and transferring an adequate amount of funds from EVB bank to the new financial institution to remain below the FDIC coverage threshold at both banks.
2. We reconciled cash for the EVB operating checking account # [REDACTED]. The reconciliation procedures were: (a) Identifying all un-cleared disbursements and deposits recorded throughout the year. (b) Computing an adjusted bank balance by subtracting all un-cleared deposits and receipts. (c) Comparing this adjusted balance to the organization's balance on its transaction report. We computed an adjusted bank balance of \$45,187.77 which agrees to the reconciliation summary provided by the Treasurer at July 31, 2013 adjusted by the outstanding checks dated post July 31, 2013 (reconciliation summary balance is 43,206.82 plus outstanding checks of 1,980.95 equals 45,187.77).

3. We reconciled cash for the EVB capital improvement account # [REDACTED]. The reconciliation procedures were: (a) Identifying all un-cleared disbursements and deposits recorded throughout the year. (b) Computing an adjusted bank balance by subtracting all un-cleared deposits and receipts. (c) Comparing this adjusted balance to the organization's balance on its transaction report. We computed an adjusted bank balance of \$62,020.23. The Treasurer did not provide a reconciliation summary for this bank account. See item 5 concerning balancing with the Treasurer's records.
4. We reconciled cash for the EVB reward money market deposit # [REDACTED]. The reconciliation procedures were: (a) Identifying all un-cleared disbursements and deposits recorded throughout the year. (b) Computing an adjusted bank balance by subtracting all un-cleared deposits and receipts. (c) Comparing this adjusted balance to the organization's balance on its transaction report. We computed an adjusted bank balance of \$132,473.74. The Treasurer did not provide a reconciliation summary for this bank account; however, we compared the total interest earned for the fiscal year on the Money Market account per the bank statements of \$512.13 to the total interest per the Treasurer's reports, and there was a discrepancy of \$77.46, which appears to be June 2013's interest of \$35.55 plus July 2013's interest of \$41.91.
5. In August 2013, the Treasurer provided fiscal year income and fiscal year expense total reports for use in preparation of the Organization's Form 1120-H, Annual U.S. Income Tax Return for Homeowners Associations. Total income per these reports was \$73,038.67; however, total deposits into the three bank accounts for the fiscal year were \$74,155.02, the difference being \$1,116.35. \$77.46 of this difference is due to the interest income adjustment noted in #4; the remaining \$1,038.89 is unaccounted for.

Total expenses per the Treasurer's reports were \$69,289.67; however, total adjusted disbursement from the three bank accounts for the fiscal year was \$69,823.00, the difference being \$533.33. Upon further analysis we found that the disbursements from the capital improvement account were correct and the money market account had no disbursements; therefore, the \$533.33 discrepancy has been attributed to the operating account.

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. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

This report is intended solely for the use of the parties at interest of Urbanna Harbour Yacht Club signing the engagement letter and is not intended to be and should not be used by anyone other than those specified parties.

Dehnert, Clarke & Co. P.C.

Dehnert, Clarke & Co., P.C.
November 13, 2013