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**Independent Accountants' Report on Applying Agreed-Upon Procedures**

January 15, 2013

Kathleen Bradbury
Finance Director
Town of Yountville
Yountville, CA 94599

We have performed the procedures enumerated below which were agreed to by the Town of Yountville with respect to **transient occupancy tax** payments and **tourist improvement district assessments** received by the Town of Yountville for 2009, 2010 and 2011 as set forth in the accompanying schedule. Our review was made solely to assist you in evaluating the reasonableness of those payments received, and our report is not intended for any other purpose. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the 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. For the operators listed on the accompanying schedule, we performed the following procedures:

a. Monthly room revenue as reported by the operator on its transient occupancy tax returns was matched to the operator's financial records. Hotel guest payments were verified to daily occupancy records on randomly selected days. Daily occupancy records were totaled and agreed to monthly revenue amounts on a test basis. Occupancy records were compared to bank statements when appropriate.

b. Transient occupancy tax returns were tested for math accuracy and a reasonableness test was performed for total taxes and assessments received.

c. Total room revenue for the year was traced to the operator's general ledger, financial statements, and federal income tax returns when available.

d. Non-taxable exempt transient occupancy was reviewed for compliance with Town code

e. Operator's revenue sources, per operator's financial statements, were considered for applicability as to inclusion in taxable room revenue.

The agreed upon materiality limit for a reportable finding is under-reported tax of $100.00 or more. Because the above procedures do not constitute an audit made in accordance with generally accepted auditing standards, we do not express an opinion on the transient occupancy tax revenue for 2009, 2010 and 2011. Had we performed additional procedures or had we performed an audit of the financial statements of the various operators in accordance with generally accepted auditing standards, matters might have come to our attention that would have been reported to you. This report relates only to the accounts and items specified above and does not extend to any financial statements of the Town of Yountville.

This report is intended solely for the use of the Town of Yountville and the specified Operator and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

Brownell & Duffey