



November 17, 2021

City of Breckenridge, Texas
105 North Rose
Breckenridge, Texas 76424

We are pleased to confirm our understanding of the terms of our engagement and the nature and limitations of the services we will provide the City of Breckenridge.

We will apply certain agreed-upon procedures which the City of Breckenridge and Breckenridge Chamber of Commerce have specified, to selected records and transactions of the Breckenridge Chamber of Commerce – City Hotel Motel Tax Funds for the year ended December 31, 2021 for the purpose of determining compliance with the contract between the Chamber and the City of Breckenridge. Our engagement to apply agreed-upon procedures will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures performed or to be performed is solely the responsibility of the City of Breckenridge and the Breckenridge Chamber of Commerce and we will require an acknowledgment in writing of that responsibility. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which the agreed-upon procedures report has been requested or for any other purpose. Our procedures are as follows:

1. We will determine whether the hotel motel occupancy tax funds were deposited in a bank account separate from all other Chamber revenues.
2. We will compare the year-end cash balance in the general ledger to the bank reconciliation to ensure that the balances match.
3. We will match reported hotel-motel taxes with the City of Breckenridge's payments to the Chamber.
4. Under the contract the Breckenridge Chamber of Commerce will submit quarterly reports to the City of Breckenridge. We will inspect 2 of the reports made to the City of Breckenridge to ensure that the amounts in the report agree with the amounts reported in the general ledger.
5. We will test 25 of the disbursements from the hotel motel tax funds account to determine that the expenditures were for a community advertising and promotion program in accordance with state statutes. According to the contract the funds may not be expended for the following: salaries, social security taxes, workers compensation, auto allowances, hospital and medical insurance, rent, insurance on new contents, new equipment purchases and payments on previous equipment purchases.
6. We will compare the Breckenridge Chamber of Commerce – City Hotel Motel Tax Funds approved budget and actual expenses for the year to determine that there were not expenditures over appropriations.

Because the agreed-upon procedures listed above do not constitute an examination or review, we will not express an opinion or conclusion on any of the items specified above or on the financial statements taken as a whole. In addition, we have no obligation to perform any procedures beyond those shown above.

We plan to perform our procedures at a mutually agreeable time in May 2021 and, unless unforeseeable problems are encountered, the engagement should be completed by June 30, 2021.

We will issue a written report upon completion of our engagement that lists the procedures performed and our findings. Our report will be addressed to the Breckenridge Chamber of Commerce. If, for any reason, we are unable to complete any of the procedures, we will describe in our report any restrictions on the performance of the procedures, or not issue a report and withdraw from this engagement. You understand that the report is intended solely for the information and use of the City of Breckenridge and Breckenridge Chamber of Commerce, and should not be used by anyone other than these specified parties. Our report will contain a paragraph indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

An agreed-upon procedures engagement is not designed to detect instances of fraud or noncompliance with laws or regulations; however, we will communicate to you any known and suspected fraud and noncompliance with laws or regulations affecting these procedures specified above that come to our attention. In addition, if, in connection with this engagement, matters come to our attention that contradict the procedures specified above, we will disclose those matters in our report.

You are responsible for establishing and maintaining internal controls, including monitoring ongoing activities, and for selecting the criteria and procedures and determining that such criteria and procedures are appropriate for your purposes. You are responsible for, and agree to provide us with, a written assertion about establishing and maintaining internal controls, including monitoring ongoing activities. In addition, you are responsible for providing us with (1) access to all information of which you are aware that is relevant to the performance of the agreed-upon procedures on the subject matter, (2) additional information that we may request for the purpose of performing the agreed-upon procedures, and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain evidence relating to performing those procedures.

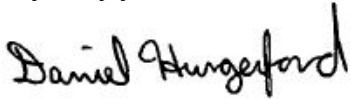
At the conclusion of our engagement, we will require certain written representations in the form of a representation letter from management that, among other things, will confirm management's responsibility for establishing and maintaining internal controls, including monitoring ongoing activities.

Daniel Hungerford is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fees for these services will be based on the actual time spent at our standard hourly rates plus travel and other out-of-pocket costs. We estimate our fee will not exceed \$1,900. The fee estimate is based on anticipated cooperation from the Breckenridge Chamber of Commerce personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. In accordance with firm policies, work may be suspended if your account becomes 45 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

We appreciate the opportunity to assist you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us. If the need for additional procedures arises, or the procedures need to be modified, our agreement with you will need to be revised. It is customary for us to enumerate these revisions in an addendum to this letter. If additional specified parties of the report are added, we will require that they acknowledge in writing their agreement with the procedures performed or to be performed and their responsibility for the sufficiency of procedures.

Very truly yours,

A handwritten signature in black ink that reads "Daniel Hungeford". The signature is written in a cursive style with a prominent initial "D".

GEORGE, MORGAN & SNEED, P.C.

RESPONSE:

This letter correctly sets forth the understanding of the City of Breckenridge.

By: _____

Title: _____

Date: _____