NOTICE OF MEETING & AGENDA
KAUFMAN ECONOMIC DEVELOPMENT CORPORATION MEETING
TUESDAY, AUGUST 11, 2026 AT 6:00 PM
KAUFMAN CITY HALL
EXECUTIVE CONFERENCE ROOM
209 S. WASHINGTON ST.
KAUFMAN, TEXAS 75142

ALL ITEMS ARE SUBJECT TO ACTION BY THE BOARD

CALL MEETING TO ORDER Chairman calls the Meeting to order, states the date and time, states members present, and declares a quorum present.**

CITIZENS COMMENTS / REQUEST TO SPEAK ON AGENDA ITEMS (5 MINUTES) Comments about any of the agenda items may be taken into consideration at this time or during the agenda item. Comments are limited to five (5) minutes per individual unless additional time is otherwise required by law for translation. Speaking time is not transferable. Citizens may address the KEDC on any subject but must first complete a Request to Speak Form so that the Chairman may call your name to speak at the appropriate time on the Agenda. Comments must be directed to the KEDC as a whole. **When addressing the KEDC, please step forward to the speaker's podium, state your name and address, and direct your comments to the Chairman and KEDC.**

CONSENT AGENDA

1. Consider and take appropriate action on the monthly Financial Report from the Treasurer of the Corporation.

2. Consider and take appropriate action on the minutes from the July 14, 2026 Kaufman Economic Development Corporation meeting.

EXECUTIVE DIRECTOR'S REPORT Receive an update and discussion regarding the following: a.) Meetings/Events of Interest; b.) Prospect Activity; c.) Staff Announcements

3. KEDC Executive Director's Report - Discussion Only (No Action Taken)

   3.1) Staff Report on monthly Kaufman EDC marketing and prospect activities;
   3.2) Staff Report on monthly business retention and expansion (BRE) activities;
   3.3) Staff Report on monthly commercial development activities;
   3.4) Staff Report on events attended by KEDC Staff

DISCUSSION/ACTION ITEMS

4. Consider and take appropriate action on the Fiscal Year 2026-2027 Kaufman Economic Development Corporation budget and the annual proposed projects, programs and expenditures of the KEDC with action to request approval of the budget and KEDC programs from the Kaufman City Council.

5. Consider and take appropriate action on an audit engagement letter with YWRD, P.C. for annual KEDC audit services for Fiscal Year 2025-2026.

EXECUTIVE SESSION In accordance with Texas Government Code, Section 551.001, et seq., the KEDC will recess into Executive Session (closed meeting) to discuss the following:

6. A. Section 551.087. DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS; CLOSED MEETING. (1) To discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or (2) to deliberate the offer of a financial or other incentive to a business prospect described by Subdivision (1): Projects Pie, Jetson, Kaleidoscope, Cowbell, Junior, Sandstone, Adventure

   B. Section 551.072. DELIBERATION REGARDING REAL PROPERTY; CLOSED MEETING. To deliberate the purchase, exchange, lease, or value of real property regarding: Prairie Creek Crossing Business Park

RECONVENE INTO OPEN SESSION

7. Consider and take appropriate action, if any, on matters discussed in Executive Session.

ITEMS OF COMMUNITY INTEREST Pursuant to Texas Government Code Sec. 551.0415, a member of the Board or Kaufman EDC Staff may make an announcement about items of community interest during a meeting of the corporation without having given notice of the subject of the announcement. "Items of community interest" includes: (1) expression of thanks, congratulations or condolence; (2) information regarding holiday schedules; (3) an honorary or salutary recognition of a public official, public employee, or other citizen, except that a discussion regarding a change in the status of a person's public office or public employment is not an honorary or salutary recognition for purposes of this subdivision; (4) a reminder about an upcoming event organized or sponsored by the corporation; (5) information regarding a social, ceremonial, or community event organized or sponsored by an entity other than the corporation that was attended or is scheduled to be attended by a board member or employee of the corporation.

BOARD INQUIRY If a member of the Corporation makes a spontaneous inquiry about a subject not on this agenda, then the KEDC or an appropriate staff member may make a statement of factual information or policy in response to such an inquiry. However, in accordance with Open Meetings Act Section 551.042, the KEDC cannot discuss issues raised or make any decisions on that subject at that time. Issues raised may be referred to Staff for research and possible future action.

ADJOURNMENT

I, STEWART McGREGOR, EXECUTIVE DIRECTOR, DO HEREBY CERTIFY THAT THIS NOTICE OF MEETING WAS POSTED ON THE WINDOW AT KAUFMAN MUNICIPAL COMPLEX, 209 S. WASHINGTON, KAUFMAN, TEXAS, A PLACE CONVENIENT AND READILY ACCESSIBLE TO THE GENERAL PUBLIC AT ALL TIMES AND SAID NOTICE WAS POSTED AT THE KAUFMAN MUNICIPAL COMPLEX, 209 S. WASHINGTON, KAUFMAN, TEXAS AT 6:00 P.M. ON WEDNESDAY, AUGUST 5, 2026, AND REMAINED SO POSTED CONTINUOUSLY FOR AT LEAST THREE (3) BUSINESS DAYS PRECEDING THE SCHEDULE TIME OF SAID MEETING.

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STEWART McGREGOR
EXECUTIVE DIRECTOR

THE KAUFMAN ECONOMIC DEVELOPMENT CORPORATION RESERVES THE RIGHT TO ADJOURN INTO EXECUTIVE SESSION AT ANY TIME DURING THE COURSE OF THIS MEETING TO DISCUSS ANY OF THE MATTERS LISTED ABOVE, AS AUTHORIZED BY THE TEXAS GOVERNMENT CODE. SECTION 551.071 (CONSULTATION WITH ATTORNEY).

THE BUILDING IN WHICH THE ABOVE MEETING WILL BE CONDUCTED IS WHEELCHAIR ACCESSIBLE AND PARKING SPACES FOR THE MOBILITY IMPAIRED ARE AVAILABLE. PERSONS WITH DISABILITIES WHO PLAN TO ATTEND THIS MEETING AND WHO MAY NEED AUXILIARY AIDS OR SERVICES SUCH AS INTERPRETERS FOR PERSONS WHO ARE DEAF OR HEARING IMPAIRED, READERS, OR LARGE PRINT ARE REQUESTED TO CONTACT THE CITY SECRETARY'S OFFICE AT 972-932-2216 AT LEAST TWO (2) WORKING DAYS PRIOR TO THE TIME OF THE MEETING SO THAT APPROPRIATE ARRANGEMENTS CAN BE MADE.

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City of Kaufman

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11:27 08/05/26

Revenue & Expense Report

Fund: 32 ECONOMIC DEVELOPMENT CORP. Department: Non departmental Program:

Period Ending: 8/2026

Account	Description	Current Year Budget	Current Month Actual	Encumbrances	Current YTD Actual & Encumbr	Budget Balance	Budget Balance Percent	Prior Year Actual	2 Years Prior Actual Total
32-4105-000-0	General Sales & Use	640,000.00-			584,068.40-	55,931.60-	8.739	660,572.69-	632,608.46-
Subtotal:		640,000.00-			584,068.40-	55,931.60-	8.739	660,572.69-	632,608.46-
32-4604-000-0	Interest Income	45,000.00-			39,505.64-	5,494.36-	12.210	50,556.38-	43,852.63-
32-4606-000-0	Miscellaneous Revenu							4,500.00-	3,685.72-
32-4608-000-0	Loan Revenue	10,000.00-			10,000.00-			10,000.00-	
32-4612-000-0	Intergovernmental Re								80.09-
32-4631-000-0	Other Fin Sources-No								2,791,250.00-
Subtotal:		55,000.00-			49,505.64-	5,494.36-	9.990	65,056.38-	2,838,868.44-
Program number:		695,000.00-			633,574.04-	61,425.96-	8.838	725,629.07-	3,471,476.90-
Department number:	Non departmental	695,000.00-			633,574.04-	61,425.96-	8.838	725,629.07-	3,471,476.90-
Revenue	Subtotal -----	695,000.00-			633,574.04-	61,425.96-	8.838	725,629.07-	3,471,476.90-

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11:27 08/05/26 Revenue & Expense Report
Fund: 32 ECONOMIC DEVELOPMENT CORP. Department: Non departmental Program:
Period Ending: 8/2026

Account	Description	Current Year Budget	Current Month Actual	Encumbrances	Current YTD Actual & Encumbr	Budget Balance	Budget Balance Percent	Prior Year Actual	2 Years Prior Actual Total
32-5101-000-0	Salaries & Wages	170,380.00			115,378.55	55,001.45	32.282	153,269.26	143,942.11
32-5177-000-0	Retention Pay	10,370.00				10,370.00	100.000	6,108.00	6,085.95
	Subtotal:	180,750.00			115,378.55	65,371.45	36.167	159,377.26	150,028.06
32-5203-000-0	Operating Supplies	1,250.00			952.52	297.48	23.798	98.97	4,779.18
32-5213-000-0	Meetings	12,000.00			8,879.21	3,120.79	26.007	16,728.01	6,919.93
32-5214-000-0	Promotional Material	6,500.00		1,341.91	7,806.45	1,306.45-			

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-20.099       2,068.06      10,488.40
  32-5220-000-0  Minor Tools & Equipm                 7,150.00                                             4,400.00        2,750.00
38.462       7,936.98       7,442.16

   Subtotal:                                         26,900.00                               1,341.91     22,038.18        4,861.82
18.074      26,832.02      29,629.67

  32-5302-000-0  Postage & Delivery                     250.00                                                59.65          190.35
76.140          57.87         355.00
  32-5303-000-0  Advertising                         13,660.00                                            10,173.00        3,487.00
25.527      10,825.85      23,255.00
  32-5305-000-0  Licenses, Dues & Sub                 7,720.00                                             8,120.05          400.05-
-5.182       4,134.54       6,151.93
  32-5306-000-W  Utilities-Electric/W                   550.00                                               458.40           91.60
16.655         589.92         500.36
  32-5309-000-0  Insurance & Bonds                      560.00                                                               560.00
100.000        511.00         511.00
  32-5322-000-0  Tuition & Education                  5,200.00                                             3,252.00        1,948.00
37.462       3,380.59       4,585.42
  32-5330-000-0  Travel                              10,950.00                                             6,055.76        4,894.24
44.696       8,280.61       6,429.10
  32-5352-000-0  Maintenance-Grounds                  8,150.00                                             5,150.00        3,000.00
36.810       6,862.35       8,000.00
  32-5362-000-0  Professional Svcs-Ad               107,455.00                                            74,297.57       33,157.43
30.857     115,412.36     103,083.62
  32-5363-000-0  Professional Svcs-Te                 9,550.00                                             5,100.00        4,450.00
46.597      13,525.00       9,500.00

   Subtotal:                                        164,045.00                                           112,666.43       51,378.57
31.320     163,580.09     162,371.43

  32-5487-000-0  Land Purchase
2,745,759.10

   Subtotal:
2,745,759.10

  32-5500-000-0  Matching Grants                     76,305.00                                            31,735.56       44,569.44
58.410      57,237.86      82,519.11
  32-5501-000-0  Incentives / Intergo
50,000.00
  32-5507-000-0  HWY 34 Bypass Fundin               100,000.00                                           100,000.00
100,000.00     100,000.00

   Subtotal:                                        176,305.00                                           131,735.56       44,569.44
25.280     157,237.86     232,519.11

  32-5607-000-0  Note - Principal                     8,593.00                                             8,593.40             .40-
-.005        3,374.41      38,929.59
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32-5608-000-0 Note - Interest 178,407.00 178,406.60 .40
178,625.59 11,070.41
32-5651-000-0 Note - Issuance Cost
41,250.00

Subtotal: 187,000.00 187,000.00
182,000.00 91,250.00

Program number: 735,000.00 1,341.91 568,818.72 166,181.28
22.610 689,027.23 3,411,557.37

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11:27 08/05/26 Revenue & Expense Report
Fund: 32 ECONOMIC DEVELOPMENT CORP. Department: Non departmental Program:
Period Ending: 8/2026

Account	Description	Current Year Budget	Current Month Actual	Encumbrances	Current YTD Actual & Encumbr	Budget Balance

Budget Balance Percent | Prior Year Actual | 2 Years Prior Actual Total

Department number: Non departmental 735,000.00 1,341.91 568,818.72 166,181.28
22.610 689,027.23 3,411,557.37

Expenditure Subtotal ----- 735,000.00 1,341.91 568,818.72 166,181.28
22.610 689,027.23 3,411,557.37

Fund number: 32 ECONOMIC DEVELOPMENT CORP. 40,000.00 1,341.91 64,755.32- 104,755.32
261.888 36,601.84- 59,919.53-

******* End of Report *********

Executive Director's Report
August 11, 2026

Calendar

- **7/15:** Dallas Real Estate Ministries Networking Luncheon; Comprehensive Plan Follow Up Meeting; Meeting w/ Glee Pugh
- **7/16:** Kaufman Chamber Business Expo
- **7/17:** KEDC Website Meeting
- **7/21:** Meeting w/ Aayush Gupta (Staff Writer, Dallas Business Journal)
- **7/22:** Cybersecurity Training
- **7/27:** Monthly City Council Meeting
- **7/28:** Economic Summit Planning Meeting
- **7/29:** Open Enrollment Meeting
- **8/3:** North Central Texas Economic Development District Board Meeting; Council Budget Meeting
- **8/5:** Comprehensive Plan Follow Up Meeting
- **8/6:** Kaufman Economic Summit
- **8/7:** Lowe's Grand Opening Ceremony

Prospect Lead Responses: Projects Forge & Barn Swallow

Upcoming Events: Monthly City Council Meeting (8/17); Team Texas Consultant Summit (8/24-26); Labor Day Holiday (9/7)

Next Regular KEDC Board Meeting: September 8th

Economic Development Prospects: Board to receive update on active prospects in Executive Session.

Kaufman KEDC Economic Development Corporation

Meeting Date: 8-11-2026	Date: 8-4-2026	Item #: 4	Dept.: KEDC

(Check one)

☐ Consent ☒ Action ☐ Discussion

SUBJECT:

Consider and take appropriate action on the Fiscal Year 2026-2027 Kaufman Economic Development Corporation budget and the annual proposed projects, programs and expenditures of the KEDC with action to request approval of the budget and KEDC programs form the Kaufman City Council.

BACKGROUND:

A brief summary of the budget is provided below with the full detailed budget attached. As with previous KEDC budgets, expenses exceed revenues, however we have never had to tap the fund balance to spend more than earned.

Projected Revenues: $850,000

Major Expense Items:

- Staffing & Professional Services: $317,225
- Kaufman Commerce Park Debt Service: $192,000
- TXDOT Debt Service: $100,000
- Hampton Inn Infrastructure Grant: $100,000
- Matching Grant Programs: $75,000
- All Other Items: $95,775

Total Expenses: $880,000

Author:	Reviewed:
Stewart McGregor, KEDC Executive Director	Stewart McGregor, KEDC Executive Director

Cost:	Funds Available:	Source:
$880,000	KEDC Budget	KEDC Sales Tax

Recommendation:
Approval

Safe & Secure	Business Friendly/Economic Development	Partnership & Community Involvement	Healthy & Environmentally Cons. Comm.	Financial & OPS Stewardship
☐	☐	☐	☐	☒

FY 2027 KEDC Budget		
INCOME		
Sales Tax	$	800,000.00
Interest	$	40,000.00
Loan Payments	$	10,000.00
Land Sales	$	-
Fund Balance	$	-
TOTAL INCOME	**$**	**850,000.00**
EXPENSES		
SALARY & BENEFITS (32-5101-000)		
Salary & Benefits	$	192,610.00
Item Total - Salary & Benefits	**$**	**192,610.00**
RETENTION PAYMENT (32-5177-000)		
EDC Board Discretionary Retention Payment	$	30,545.00
Item Total - Retention Payment	**$**	**30,545.00**
MEETINGS (32-5213-000)		
Meetings	$	5,000.00
DBJ Best Real Estate Deals	$	-
Industry Trade Shows/Broker Events/BRE	$	6,000.00
ICSC Red River	$	2,000.00
Item Total - Meetings	**$**	**13,000.00**
PROFESSIONAL SERVICES (32-5362-000)		
City Administrative Services Contract	$	57,070.00
Legal Fees	$	10,000.00
Photography	$	1,000.00
Professional & Technical Consulting	$	25,000.00
Graphic Design	$	1,000.00
Item Total - Professional Services	**$**	**94,070.00**
PROFESSIONAL/TECHNICAL & AUDITING (32-5363-000)		
Website	$	3,000.00
Audit	$	7,500.00
Item Total - Professional/Technical & Auditing	**$**	**10,500.00**
PROMOTIONAL MATERIALS (32-5214-000)		
Miscellaneous Promotional Items	$	2,500.00
Aerial Map Service Subscription	$	2,500.00
Printed Maps **(*biennial expense)**	$	3,000.00
Business Retention Monthly Recognition	$	900.00
Item Total - Promotional Materials	**$**	**8,900.00**
MISCELLANEOUS/OFFICE SUPPLIES (32-5203-000)		
Office Furniture	$	-
Wall Map **(*biennial expense)**	$	2,500.00
Misc. Office Supplies	$	1,500.00
Logoed Shirts	$	500.00
Item Total - Miscellaneous/Office Supplies	**$**	**4,500.00**

POSTAGE (32-5302-000)		
Postage	$	500.00
Item Total - Postage	**$**	**500.00**
ADVERTISING (32-5303-000)		
Publication/Digital Advertising	$	8,560.00
Chamber Banquet Sponsorship	$	1,000.00
Chamber Golf Tournament Sponsorship	$	300.00
Chamber Auction Sponsor	$	360.00
Economic Summit	$	2,500.00
KISD Education Foundation Gala Table Sponsorship	$	1,500.00
Kaufman Herald Ads	$	500.00
Item Total - Advertising	**$**	**14,720.00**
DUES & SUBSCRIPTIONS (32-5305-000)		
TEDC Membership (2 memberships)	$	1,250.00
Chamber Membership	$	350.00
KCLC Dues	$	825.00
ICSC Membership (up to 3 memberships)	$	525.00
IEDC Membership	$	385.00
SEDC Membership	$	350.00
Dallas Morning News	$	400.00
Dallas Business Journal	$	220.00
Kaufman Herald	$	45.00
Texas Downtown Association	$	350.00
Kaufman Lion's Club	$	400.00
Team Texas	$	3,500.00
Item Total - Dues & Subscriptions	**$**	**8,600.00**
UTILITIES (32-5306-000)		
Business Park Utilities	$	550.00
Item Total - Utilities	**$**	**550.00**
NON-CAPITAL MINOR TOOLS/SOFTWARE (32-5220-000)		
Computer	$	-
Avenu Subscription	$	2,750.00
Resimplifi Website Real Estate Tool	$	3,750.00
Retail Lease Trac	$	900.00
Item Total - Non-Capital Minor Tools/Software	**$**	**7,400.00**
INSURANCE (32-5309-000)		
Insurance	$	670.00
Item Total - Insurance	**$**	**670.00**
TUITION & EDUCATION (32-5322-000)		
TEDC Sales Tax Training (1 registrant)	$	225.00
ICSC Registration (2 registrants)	$	1,200.00
TEDC Annual Conference (Houston)	$	-
TEDC Winter Conference (Austin)	$	450.00
TEDC Mid-Year Conference (The Woodlands)	$	550.00

TEDC Basic Economic Development Course	$	-
Texas Downtown Assn. Annual Conference (Amarillo)	$	535.00
IEDC Annual Conference (New Orleans)	$	1,200.00
Webinars & Continuing Ed.	$	850.00
Kaufman County Day at the Capitol **(3 people)**	$	525.00
Item Total - Tuition & Education	**$**	**5,535.00**
TRAVEL (32-5330-000)		
TEDC Annual Conference (Houston)	$	-
TEDC Sales Tax Training	$	-
ICSC Red River (San Antonio)	$	1,500.00
TEDC Winter Conference (Austin)	$	1,000.00
TEDC Mid-Year Conference (The Woodlands)	$	1,000.00
IEDC Annual Conference (New Orleans)	$	1,500.00
Texas Downtown Assn. Annual Conference (Amarillo)	$	900.00
Kaufman County Day at the Capitol **(3 people)**	$	2,500.00
Industry Trade Shows/Broker Events/BRE	$	2,500.00
Long Range Mileage/Transportation	$	1,500.00
Meals & Incidentals	$	500.00
Item Total - Travel	**$**	**12,900.00**
HIGHWAY 34 BYPASS FUNDING (32-5507-000)		
Highway 34 Bypass Annual Commitment	$	100,000.00
Item Total - Highway 34 Bypass Funding	**$**	**100,000.00**
MAINTENANCE (32-5352-000)		
Business Park Mowing	$	8,000.00
Item Total - Maintenance	**$**	**8,000.00**
MATCHING GRANTS (32-5500-000)		
Matching Grants **(Façade + Destination)**	$	75,000.00
Item Total - Matching Grants	**$**	**75,000.00**
INCENTIVES/INTERGOVERNMENTAL (32-5501-000)		
Hampton Inn Infrastructure Grant	$	100,000.00
Item Total - Incentives/Intergovernmental	**$**	**100,000.00**
PRINCIPAL & INTEREST		
KEDC 175 Land Debt Service Payment	$	192,000.00
Item Total - Principal & Interest	**$**	**192,000.00**
TOTAL EXPENSES	**$**	**880,000.00**

Kaufman KEDC Economic Development Corporation

Meeting Date: 8-11-2026	Date: 8-5-2026	Item #: 5	Dept.: KEDC

(Check one)

☐ Consent ☒ Action ☐ Discussion

SUBJECT:

Consider and take appropriate action on an audit engagement letter with YWRD, P.C. for annual KEDC audit services for Fiscal Year 2025-2026.

BACKGROUND:

The KEDC contracts with YWRD, P.C. for audit services (along with the City of Kaufman). They have provided an engagement letter for audit services for FY 2025-26, which will begin later this year.

Author:	Reviewed:
Stewart McGregor, KEDC Executive Director	Stewart McGregor, KEDC Executive Director

Cost:	Funds Available:	Source:
$7,500 (budgeted)	Yes	FY 2027 Budget

Recommendation:
Approval

Safe & Secure	Business Friendly/Economic Development	Partnership & Community Involvement	Healthy & Environmentally Cons. Comm.	Financial & OPS Stewardship
☐	☐	☐	☐	☒

YWRD, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
Tracie Wood, CPA | Joyce Reeve, CPA | Bryan Thomas, CPA | Taylor Strona, CPA

August 4, 2026

To the Board of Directors
Kaufman Economic Development Corporation
P.O. Box 293
Kaufman, TX 75147

We are pleased to confirm our understanding of the services we are to provide Kaufman Economic Development Corporation for the year ended September 30, 2026.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, the general fund, and the disclosures, which collectively comprise the basic financial statements of Kaufman Economic Development Corporation as of and for the year ended September 30, 2026. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Kaufman Economic Development Corporation's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Kaufman Economic Development Corporation's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

1) Management's Discussion and Analysis.
2) Budgetary Comparison Schedule.

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

Our audit of the financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

We have identified the following significant risk(s) of material misstatement as part of our audit planning:

1) Management override of controls.
2) Improper revenue recognition.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Kaufman Economic Development Corporation's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America with the oversight of those charged with governance.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us; for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for the 12 months after the financial statement date or shortly thereafter (for example, within an additional three months if currently known). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America (GAAP).

Other Services

We will also assist in preparing the financial statements, budget to accrual conversions, other reconciliations necessary to generate auditable balances, and reconciliations of amounts to supporting documentation, as needed, of Kaufman Economic Development Corporation in conformity with U.S. generally accepted accounting principles based on information provided by you.

We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement preparation services, budget to accrual conversion services, other reconciliations necessary to generate auditable balances, and reconciliations of amounts to supporting documentation, as needed, as previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, and/or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing. If such assistance is provided by our audit staff, such services will be billed based on the actual time spent at our standard hourly rates, currently ranging from $125 to $500.

We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If, for whatever reason, your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees.

The audit documentation for this engagement is the property of YWRD, P.C. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to various state agencies or their designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of YWRD, P.C. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to various state agencies or their designee. The various state agencies or their designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

Tracie Wood, CPA is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. We expect to begin our audit on approximately December 1, 2026, and to issue our reports no later than March 5, 2027.

Our fees for the audit, assistance with preparation of the financial statements, budget to accrual conversions, and reconciliation services will be based upon actual time spent at our standard hourly rates, currently ranging from $125 to $500 plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, confirmation service provider fees, etc.). Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes sixty days or more overdue and may 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 costs through the date of termination.

Reporting

We will issue a written report upon completion of our audit of Kaufman Economic Development Corporation's financial statements. Our report will be addressed to the Board of Directors of Kaufman Economic Development Corporation. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We appreciate the opportunity to be of service to Kaufman Economic Development Corporation 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 attached copy and return it to us.

Very truly yours,

YWRD, P.C.

YWRD, P.C.
Certified Public Accountants

RESPONSE:

This letter correctly sets forth the understanding of Kaufman Economic Development Corporation.

Management signature: ______________________

Title: _____________________________________

Date: _____________________________________

Governance signature: ______________________

Title: _____________________________________

Date: _____________________________________