



**NOTICE OF MEETING & AGENDA  
KAUFMAN ECONOMIC DEVELOPMENT  
CORPORATION MEETING  
TUESDAY, JUNE 9, 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 April 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 discuss a presentation by Tim Baker of DRT Development Group, LLC regarding interest in development opportunities in Kaufman and the Prairie Creek Crossing Business Park.

5. Consider and take appropriate action on a site enhancement matching grant application for the Twisted Horseshoe Barber Company located at 217 W. Mulberry St., Kaufman, TX.
6. Consider and take appropriate action on a new credit card vendor for the Kaufman Economic Development Corporation.
7. Consider and take appropriate action on the adoption of an annual Investment Policy for the Kaufman Economic Development Corporation.

**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:

8. 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, Snooze, Jetson, Waco, Cupboard, Kaleidoscope, Flashlight, Velocity, Cowbell, Junior, Sandstone, Adventure, Aqua  
  
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**

9. 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, JUNE 3, 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.**



**MINUTES OF THE  
KAUFMAN ECONOMIC DEVELOPMENT  
CORPORATION MEETING  
TUESDAY, APRIL 14, 2026 AT 6:00 PM  
KAUFMAN CITY HALL  
EXECUTIVE CONFERENCE ROOM  
209 S. WASHINGTON ST.  
KAUFMAN, TEXAS 75142**

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

President Gillenwater called the KEDC meeting to order at 6:01 p.m. Directors present were Charles Gillenwater, Barry Ratcliffe, and Tommy Henricks. Director Jane Lucas was absent. President Gillenwater declared a quorum present. Also present were City Secretary Jessie Hanks and Economic Development Director Stewart McGregor.

**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.**

No comments were given.

**CONSENT AGENDA**

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

Director Breshear presented the monthly Financial Report for the KEDC.

Director Brashear made a motion to approve the monthly Financial Report. The motion was seconded by Director Henricks and passed 4/0.

2. Consider and take appropriate action on the minutes from the March 10, 2026 Kaufman Economic Development Corporation meeting.

Director Brashear made a motion to approve the minutes from the March 10, 2026, Kaufman Economic Development Corporation meeting as presented. The motion was seconded by Vice Chairman Ratcliffe and passed 4/0.

**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

Mr. McGregor presented the KEDC Executive Director's report about his activities for the previous month.

### **DISCUSSION/ACTION ITEMS**

4. Consider and discuss the FY 2025 Kaufman Economic Development Corporation annual audit report.

Mr. McGregor reviewed the FY24 Annual Audit Report for the Kaufman Economic Development Corporation. There were discussions about the need to adopt an investment policy similar to the City's.

5. Consider and take appropriate action on a mid-year budget amendment to the FY 2026 Kaufman Economic Development Corporation budget.

Mr. McGregor presented the proposed mid-year budget amendments to the FY26 Kaufman Economic Development Corporation Budget.

Director Brashear made a motion to approve the mid-year budget amendments to the FY26 Kaufman Economic Development Corporation Budget. The motion was seconded by Director Henricks and passed 4/0.

**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:

President Gillenwater recessed into Executive Session at 6:30 p.m.

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, Snooze, Jetson, Waco, Cupboard, Kaleidoscope, Flashlight, Velocity, Cowbell, Junior, Jet, 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**

President Gillenwater recessed into Executive Session at 7:14 p.m.

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

There was no action taken 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.

No comments were given.

**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.

No comments were given.

**ADJOURNMENT**

There being no further business, President Gillenwater adjourned the meeting at 7:16 p.m.

**APPROVED:**

**ATTEST:**

\_\_\_\_\_  
Charles Gillenwater, President

\_\_\_\_\_  
Ben Brashear, Secretary/Treasurer

## Executive Director's Report June 9, 2026

### Calendar

- **4/15:** KW Commercial/Rod Holland Real Estate Networking Event
- **4/16:** Kaufman Chamber Board Meeting
- **4/23:** TXDOT Property Call w/ Developer Prospect; Dallas Business Journal Best Real Estate Deals Awards
- **4/24:** KEDC Website Meeting; Kaufman Education Foundation Donkeyball
- **4/27:** April Kaufman City Council Meeting
- **4/28-29:** Southern Economic Development Council Site Consultant Summit (Arlington); Website Review Meeting
- **4/30:** Presentation to American National Bank
- **5/4:** Quarterly North Central Texas Economic Development District Meeting; Chamber Golf Tournament
- **5/6:** Kaufman College Teambuilding Day
- **5/7:** Meeting w/ Eyncon Engineering; Kaufman Comprehensive Plan Open House #2
- **5/8:** Call w/ Jetton Solutions (site selection firm)
- **5/11:** Kaufman City Council Planning Retreat
- **5/12-13:** US-Japan Council Texas Economic Summit (Arlington)
- **5/14:** Kaufman Chamber Quarterly Membership Lunch
- **5/15:** Meeting w/ Kaufman Chamber CEO
- **5/18:** Monthly City Council Meeting
- **5/21:** North Texas Commission Business Competitiveness Task Force Committee Meeting
- **5/18-22:** Stewart Out of the Office
- **5/25:** Memorial Day Holiday (KEDC Office Closed)
- **5/26:** Stewart Out of the Office
- **5/28:** Meeting w/ Alexandra Kelly (Downtown Property Owner)
- **6/2-5:** Emily at Texas Association of Municipal Information Officers (TAMIO) Conference (Austin)
- **6/3:** Kaufman Comprehensive Plan Monthly Meeting
- **6/4:** KEDC Website Meeting; Kaufman Chamber Business After Hours

Prospect Lead Responses: Projects Skate Board, Handshake, Baux Mill & Pentagon

Upcoming Events: TEDC Mid-Year Conference (6/17-19); Juneteenth Holiday (6/19); Monthly City Council Meeting (6/22); Independence Day Holiday (7/3)

Next Regular KEDC Board Meeting: July 14<sup>th</sup>

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



<b>Meeting Date: 6-9-2026</b>	<b>Date: 6-4-2026</b>	<b>Item #: 4</b>	<b>Dept.: KEDC</b>
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<small>(Check one)</small>		
<input type="checkbox"/> <b>Consent</b>	<input type="checkbox"/> <b>Action</b>	<input checked="" type="checkbox"/> <b>Discussion</b>

**SUBJECT:**  
 Consider and discuss a presentation by Tim Baker of DRT Development Group, LLC regarding interest in development opportunities in Kaufman and the Prairie Creek Crossing Business Park.

**BACKGROUND:**  
 Tim Baker, owner of DRT Development Group, has a background in retail development. He has been considering development opportunities in Kaufman and would like to introduce himself to the board and discuss his company, background and market interest in Kaufman.

<b>Author:</b> Stewart McGregor, KEDC Executive Director	<b>Reviewed:</b> Stewart McGregor, KEDC Executive Director
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<b>Cost:</b> N/A	<b>Funds Available:</b> N/A	<b>Source:</b> N/A
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**Recommendation:**  
N/A

<b>Safe &amp; Secure</b> <input type="checkbox"/>	<b>Business Friendly/Economic Development</b> <input checked="" type="checkbox"/>	<b>Partnership &amp; Community Involvement</b> <input type="checkbox"/>	<b>Healthy &amp; Environmentally Cons. Comm.</b> <input type="checkbox"/>	<b>Financial &amp; OPS Stewardship</b> <input type="checkbox"/>
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<b>Meeting Date: 6-9-2026</b>	<b>Date: 6-4-2026</b>	<b>Item #: 5</b>	<b>Dept.: KEDC</b>
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(Check one)

**Consent**
                         
  **Action**
                         
  **Discussion**

**SUBJECT:**  
 Consider and take appropriate action on a site enhancement matching grant application for the Twisted Horseshoe Barber Company located at 217 W. Mulberry St., Kaufman, TX.

**BACKGROUND:**  
 Twisted Horseshoe Barber Company recently opened at 217 W. Mulberry St. (upstairs) on the Square. The owner, Leslie Janiece, is interested in our site enhancement matching grant program to place a sign on the building.

<b>Author:</b> Stewart McGregor, KEDC Executive Director	<b>Reviewed:</b> Stewart McGregor, KEDC Executive Director
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<b>Cost:</b> Matching up to \$2,000	<b>Funds Available:</b> Yes	<b>Source:</b> KEDC Budget
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**Recommendation:**  
 Approval

<b>Safe &amp; Secure</b>  <input type="checkbox"/>	<b>Business Friendly/Economic Development</b>  <input checked="" type="checkbox"/>	<b>Partnership &amp; Community Involvement</b>  <input type="checkbox"/>	<b>Healthy &amp; Environmentally Cons. Comm.</b>  <input type="checkbox"/>	<b>Financial &amp; OPS Stewardship</b>  <input type="checkbox"/>
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<b>Meeting Date: 6-9-2026</b>	<b>Date: 6-4-2026</b>	<b>Item #: 6</b>	<b>Dept.: KEDC</b>
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(Check one)

**Consent**
                         
  **Action**
                         
  **Discussion**

**SUBJECT:**  
 Consider and take appropriate action on a new credit card vendor for the Kaufman Economic Development Corporation.

**BACKGROUND:**  
 The Kaufman EDC has used American National Bank as a vendor for the KEDC’s two staff credit cards. The vendor for the credit cards is outsourced by ANB to a third party. About a year ago, the City of Kaufman changed their credit cards from ANB to RAMP. The finance department has found this platform to be a much more convenient and efficient vendor allowing for easier tracking of spending, expense reports and payment.

On recommendation of the City’s finance director, it was encouraged for the KEDC to look at moving to RAMP as the credit card vendor. Since the City’s finance department manages KEDC accounts payable, this will allow an easier platform for staff to process credit card charges. The account would be separate from the City of Kaufman. The RAMP card is affiliated with VISA.

Both current cards for the KEDC Director and Marketing Manager have a \$9,500 limit.

<b>Author:</b> Stewart McGregor, KEDC Executive Director	<b>Reviewed:</b> Stewart McGregor, KEDC Executive Director
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<b>Cost:</b> N/A	<b>Funds Available:</b> N/A	<b>Source:</b> N/A
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**Recommendation:**  
 Approval

<b>Safe &amp; Secure</b>  <input type="checkbox"/>	<b>Business Friendly/Economic Development</b>  <input type="checkbox"/>	<b>Partnership &amp; Community Involvement</b>  <input type="checkbox"/>	<b>Healthy &amp; Environmentally Cons. Comm.</b>  <input type="checkbox"/>	<b>Financial &amp; OPS Stewardship</b>  <input checked="" type="checkbox"/>
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<b>Meeting Date: 6-9-2026</b>	<b>Date: 6-4-2026</b>	<b>Item #: 7</b>	<b>Dept.: KEDC</b>
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(Check one)  
 **Consent**                       **Action**                       **Discussion**

**SUBJECT:**  
 Consider and take appropriate action on the adoption of an annual Investment Policy for the Kaufman Economic Development Corporation.

**BACKGROUND:**  
 The recent audit for the KEDC recommended we adopt our own Investment Policy. This policy is mirrored very similarly to the City of Kaufman’s policy along with some components from another EDC investment policy. It appoints the City’s Finance Director as the KEDC’s primary Investment Officer (due to our contract with the City for financial services). It also prioritizes liquidity given the potential need to use KEDC funds when projects arise. The policy shall be adopted annually.

<b>Author:</b> Stewart McGregor, KEDC Executive Director	<b>Reviewed:</b> Stewart McGregor, KEDC Executive Director
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<b>Cost:</b> N/A	<b>Funds Available:</b> N/A	<b>Source:</b> N/A
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**Recommendation:**  
 Approval

<b>Safe &amp; Secure</b>  <input type="checkbox"/>	<b>Business Friendly/Economic Development</b>  <input type="checkbox"/>	<b>Partnership &amp; Community Involvement</b>  <input type="checkbox"/>	<b>Healthy &amp; Environmentally Cons. Comm.</b>  <input type="checkbox"/>	<b>Financial &amp; OPS Stewardship</b>  <input checked="" type="checkbox"/>
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# KAUFMAN ECONOMIC DEVELOPMENT CORPORATION INVESTMENT POLICY

Last Adopted: \_\_\_\_\_

## I. POLICY

The purpose of this investment policy is to ensure the Kaufman Economic Development Corporation (KEDC) conducts its investment activities in a responsible manner, fully in compliance with all applicable regulations and within the authority granted by the KEDC Board of Directors (Board) and the Kaufman City Council (City). This investment policy, as approved, is in compliance with the provisions of the Public Funds Investment Act (PFIA) of Chapter 2256 of the Texas Government Code.

Effective cash management is recognized as essential to good fiscal management. Investment interest is a viable and material source of revenue to KEDC funds. The KEDC's investment portfolio shall be designed and managed in a manner designed to maximize this revenue source, to be responsive to public trust and to be in compliance with legal requirements and limitations.

## II. PURPOSE

This investment policy addresses the methods, procedures and practices that must be exercised to ensure effective and judicious fiscal management of the KEDC's funds. It is acknowledged that the KEDC is "Type A" nonprofit economic development corporation primarily funded by ¼-cent of the local sales tax. The Kaufman Economic Development Corporation was established by voters within the City of Kaufman in 1994 and is governed by a five-member board of directors under the Development Corporation Act in Chapters 501 and 504 of the Texas Local Government Code. It is a "component unit" of the City of Kaufman and contracts with the City of Kaufman for financial and administrative services. References within this policy establish the KEDC has the authority to contract with a third party to provide financial and administrative services. This contract for services rendered is currently held with the City of Kaufman.

## III. SCOPE

This policy applies to all financial resources of the KEDC. This policy shall not govern funds that are managed under separate investment programs.

## IV. PRUDENCE

The standard of prudence to be applied by the investment officer shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. This rule states that “Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.”

In determining whether an investment officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

- The investment of all funds, or funds under the KEDC’s control, over which the officer had responsibility rather than consideration as to the prudence of a single investment.
- Whether the investment decision was consistent with the written investment policy of the KEDC.

Investment Officers shall seek to act responsibly as custodians of the public trust and should avoid any transaction that might impair public confidence in the KEDC’s ability to govern effectively.

## V. INVESTMENT OBJECTIVES

The Kaufman EDC shall manage and invest its cash with four primary objectives, listed in order of priority: **safety, liquidity, public trust and yield, expressed as optimization of interest earnings**. All investments shall be designed and managed in a manner responsive to the public trust and consistent with state and local law.

The KEDC’s designated contractor of financial services shall maintain a comprehensive cash management program with includes collection of accounts receivable, vendor payments in accordance with invoice terms and prudent investment of available cash. Cash management is defined as the process of managing monies in order to ensure maximum cash availability and maximum earnings on short-term investment of pooled idle cash.

### **Safety**

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit and interest rate risk.

- Credit Risk – The KEDC will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:
  - Limiting investments to the safest types of securities

- Pre-qualifying the financial institutions and broker/dealers with which the KEDC will do business
  - Diversifying the investment portfolio so that potential losses on individual securities will be minimized.
- Interest Rate Risk – the KEDC will minimize risk that the interest earnings and the market value of investments in the portfolio will fall due to changes in general interest rates, by:
    - Structuring the investment portfolio so that investments mature to meet cash requirements for ongoing operations, thereby avoiding the need to liquidate investments prior to maturity
    - Investing operating funds primarily in certificates of deposit, shorter-term securities, money market mutual funds, high yield interest bank account(s) or local government investment pools functioning as money market mutual funds.
    - Diversifying maturities and staggering purchase dates to minimize the impact of market movements over time.

### **Liquidity**

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that investments mature concurrent with cash needs to meet anticipated demands. Because all possible cash demands cannot be anticipated, a portion of the portfolio will be invested in shares of money market mutual funds, high yield interest bank account(s) or local government investment pools that offer same-day liquidity.

### **Yield (Optimization of Interest Earnings)**

The investment portfolio shall be designed with the objective of attaining a market rate of return through budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

## **VI. RESPONSIBILITY AND CONTROL**

### **Delegation of Authority**

Management responsibility for the Investment Program is assigned to the Executive Director, with designation by the Executive Director and oversight by the KEDC Board of Directors, as provided for in the Kaufman Economic Development Corporation's Bylaws. The KEDC Board has the authority to contract with a third party for financial and

administrative services. The City of Kaufman is currently contracted by the KEDC to perform this function.

In this delegated contracted authority, the daily operation and management of the KEDC's investments are the responsibility of the investment officers. The Investment Officers include the investment officers from the City of Kaufman currently having the following job titles: Finance Director, Finance Manager and Accountant; and the KEDC Executive Director. The City's Finance Director is designated as the primary Investment Officer and is responsible for establishing a system of controls to regulate the activities of the investment. The investment officers are authorized to deposit, withdraw, invest, transfer or manage in any other manner, funds of the KEDC. Additional procedures include safekeeping agreements, repurchase agreements, collateral agreements, depository service contracts and agreements, broker/dealer selection criteria and security bidding and purchase processes. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. Investment officers must disclose any business or personal relationships with business organizations offering to engage in an investment transaction with the KEDC according to Texas Government Code Section 2256.005. The investment officer, or designee, is authorized to deposit funds into the KEDC bank depository.

No person may engage in an investment transaction or the management of funds except as provided under the terms of this Investment Policy as approved by the KEDC Board of Directors. The City's Finance Director shall be responsible for routine authorization and accounting of investments, with approvals by the KEDC Executive Director. The City's Finance Director shall establish a system of controls to regulate the activities of subordinates. The investment authority granted to the investing officers is effective until rescinded by the KEDC Board of Directors.

### **Quality & Capability of Investment Management**

Recognizing that the employees of the KEDC have many other duties and may lack formal education in investing, this policy allows the KEDC, with the counsel of its investment officers, to use basic and easily understood types of investments available to economic development corporations.

### **Training Requirement**

The City's Finance Director and any other designated investment officers must attend an initial, no less than, ten (10) hours of Public Funds Investment Act (PFIA) state approved training relating to their responsibilities within the first twelve (12) months after assuming the designation. Thereafter, the primary investment officer shall attend not less than eight (8) hours of investment training once in a two-year period that begins on the first day of the City's current fiscal year and ends two consecutive fiscal years after that date. The investment training session shall be provided by an independent source approved by the

KEDC Board of Directors. For purposes of this policy, an “independent source” from which investment training shall be obtained shall include a professional business organization, an institute of higher learning, governmental agency, trade association or any other sponsor other than a business organization with whom the City of Kaufman or KEDC may engage in an investment transaction. The City’s Finance Director and any other designated investment officers shall also comply with any continuing education or retraining requirement prescribed by law. Thereafter, eight (8) hours of training must be completed every two (2) years.

### **Strategy**

The investment strategy is the logical product of the investment objectives. As such, it emphasizes low credit risk, diversification, and the management of maturities. The strategy also takes into account the expertise and time constraints of the investment officers. The allowable investments listed in Section 7 of this policy reflect the avoidance of credit risk. Diversification refers to dividing investments among a variety of securities offering independent returns. The management of maturities refers to structuring the maturity dates of the direct investments so that, while funds are initially invested for a longer period of time, some investments mature in time to meet incentive obligations or other commitments as they become due.

Investment officers must have an adequate understanding of the suitability of individual investment instruments in light of the KEDC’s financial needs. This understanding is gained through experience of the investment officers and through training designed to increase the expertise of the investment officers.

A basic strategy governs the investment of all funds under this policy. The major components of that strategy are as follows:

**Depository Bank:** Funds at the depository bank are to be managed to a level that minimizes the cost of the relationship to the KEDC. In instances where the depository contract allows for the payment of fees by maintaining balances at the depository, every effort is to be made to minimize the amount of money held at the depository in excess of that needed to compensate the bank for its services. Concerns about safety are to be addressed by the pledging requirements of the depository, in accordance with state law. This strategy specifies that sufficient funds to support daily operations are maintained in the depository bank, but that any funds in excess of that are held to a minimum. In accordance with the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), the KEDC will require that the bank’s board of directors or a designated committee approve the depository agreement, including the pledge of collateral to secure with bank’s obligations with respect to the deposits maintained at the bank by the KEDC.

**Other Financial Institutions:** The KEDC may invest in certificates of deposit with maturities of five years or less with institutions other than the Depository Bank. The KEDC employs a

laddered maturity strategy for these instruments and only uses funds whose expenditure is not anticipated during the term of the certificate.

**Investment Pools:** An investment pool is an entity created to invest public funds jointly on behalf of the entities that participate in the pool and whose investment objectives, in order of priority, are safety, liquidity and yield. Funds are usually available from investment pools on a next day basis, meaning the pools have a high degree of liquidity. Because of the size and expertise of their staffs, investment pools are able to prudently invest in a variety of the investment types allowed by state law. In this manner, investment pools achieve diversification. Funds that may be needed on a short-term basis but that are in excess of the amount maintained at the depository bank are available for deposit in investment pools.

**Federal Deposit Insurance Corporation (FDIC) Insured Investment Accounts:** FDIC insured investments are interest bearing deposit accounts which meet public funds investment objectives of safety, liquidity and yield, similar to investment pools. Accounts are subject to FDIC regulations which enable depositors to obtain FDIC insurance coverage. Funds are usually available on a next day basis, meaning they have a high degree of liquidity. Deposits are aggregated with other deposit sources so there is no market risk (par value--dollar in/dollar out) and yields are typically higher than other short term investments. Funds that may be needed on a short-term basis but that are in excess of the amount maintained at the depository bank are available for deposit in FDIC insured investment accounts.

**Direct Investments:** The KEDC may purchase securities of the U.S. Treasury, U.S. Agencies, and direct obligations of this state, its agencies, counties, cities and other political subdivisions in the secondary market and in the primary market in the case of new issue offerings. For purposes of this policy, the term "U.S. Agencies" shall include obligations of the United States or its agencies and instrumentalities. The investment officers must give consideration to the overall liquidity of the portfolio before making a direct investment. Only a small portion of reserve funds, whose immediate use is not anticipated, is available for investing in maturities over six months.

**Hold until Maturity:** The strategy of the KEDC is to maintain enough liquidity in its portfolio that it never needs to sell a security. This will protect the principal of the investment against interest rate risk. Should it become necessary to sell a security prior to maturity, prior approval must be obtained by the KEDC Board of Directors.

### **Internal Controls**

The City's Finance Director is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Accordingly, the City's Finance Director shall establish a process for annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

- Control of collusion.
- Separation of transactions authority from accounting and record keeping.
- Custodial safekeeping.
- Avoidance of physical delivery securities.
- Clear delegation of authority to subordinate staff members.
- Written confirmation for telephone (voice) transactions for investments and wire transfers
- Development of a wire transfer agreement with the depository bank or third-party custodian.

### **Indemnification**

The investment officer, acting in accordance with written procedures and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided that these deviations are reported immediately and the appropriate action is taken to control adverse developments.

### **Ethics & Conflicts of Interest**

Officers and employees involved in the investment process shall refrain from personal business activity that would conflict with the proper execution and management of the investment program, or that would impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio.

An investment officer of the KEDC who has a personal business relationship with an organization seeking to sell an investment to the KEDC shall file a statement disclosing that personal business interest. An investment officer who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the KEDC shall file a statement disclosing the relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the governing body of the entity.

## **VII. SUITABLE AND AUTHORIZED INVESTMENTS**

### **Portfolio Management**

The KEDC currently has a “buy and hold” portfolio strategy. Maturity dates are matched with cash flow requirements and investments are purchased with the intent to be held until maturity. However, investments may be liquidated before they mature if market conditions present an opportunity for the KEDC to benefit from the trade. Investments may be liquidated for the following reasons:

- An investment with declining credit may be liquidated early to minimize loss of principal.
- An investment swap would improve the quality, yield or target duration in the portfolio.
- Cash flow needs of the portfolio require that the investment be liquidated.

### **Investments**

Assets of the Kaufman EDC may be invested in the following instruments; provided, however, that at no time shall assets of the KEDC be invested in any instrument or security not authorized for investment under the Texas Public Funds Investment Act, as the Act may from time to time be amended.

### **Authorized**

1. Obligations of the United States of America, its agencies and instrumentalities, and State of Texas rated not less than “A” or its equivalent by at least one nationally recognized investment rating firm.
2. Fully insured or collateralized Certificates of Deposit issued by a bank organized under Texas law, the laws of another state or federal law, that has its main office or branch office in Texas, or by a savings and loan association; fully insured or collateralized checking and savings accounts issued by a bank organized under Texas law, the laws of another state or federal law, that has its main office or branch office in Texas, or by a savings and loan association.
3. Fully collateralized direct repurchase agreements with a defined termination date secured by obligations of the United States or its agencies and instrumentalities. These shall be pledged to the KEDC , held in the KEDC’s name or deposited at the time the investment is made with the KEDC or with a third party selected and approved by the KEDC. Repurchase agreements must be purchased through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in Texas. A Master Repurchase Agreement must be signed by the bank/dealer prior to investment in a repurchase agreement. All repurchase agreement transactions will be on delivery vs. payment basis. Securities received for repurchase agreements must have a market value greater than or equal to 110 percent at the time funds are disbursed.

4. Money Market Mutual Funds that are 1) registered and regulated by the Securities and Exchange Commission, 2) have a dollar weighted average stated maturity of 90 days or less, 3) maintain a net asset value of \$1 for each share and 4) rated “AAA” by at least one nationally recognized rating service.
5. Local government investment pools which 1) meet the requirements of Chapter 2256.019 of the Texas Public Funds Investment Act, 2) are rated no lower than “AAA” or an equivalent rating by at least one nationally recognized rating service and 3) are authorized by approval of the KEDC Board of Directors.
6. Any other investments authorized by Texas Public Funds Investment Act.

All prudent measures will be taken to liquidate an investment that is downgraded to less than the required minimum rating. The KEDC is not required to liquidate investments that were authorized investments at the time of the purchase. Credit rating monitoring procedures shall be performed on a monthly basis; liquidation of investments may be required under provisions of the PFIA should rating drop below minimum requirement.

#### **Not Authorized**

Under no circumstances shall investments be made in interest-only or principal-only strips of obligations with underlying mortgage-backed security collateral, or in collateralized mortgage obligations with an inverse floating interest rate or a final maturity date of over 2 years. Neither shall investments be made in obligations that are secured by these prohibited investments.

#### **Certification**

Investments shall only be made with business organizations that have provided the KEDC with a written instrument, executed by a qualified representative of the firm, acknowledging that the organization has:

- Received and reviewed the KEDC’s Investment Policy, and
- Implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the KEDC and the organization that are not authorized by the KEDC’s Investment Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the KEDC’s entire portfolio or requires an interpretation of subjective investment standards.

## **VIII. INVESTMENT PARAMETERS**

### **Maximum Maturities**

The longer the maturity of investments is, the greater its price volatility. Therefore, it is the KEDC's policy to concentrate its investment portfolio in shorter-term securities in order to limit principal risk caused by changes in interest rates.

The KEDC attempts to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the KEDC will not directly invest in securities maturing more than twenty-four (24) months from the date of purchase. Because no secondary market exists for repurchase agreements, the maximum maturity shall be 120 days except in the case of a flexible repurchase agreement for bond proceeds. The maximum maturity for such an investment shall be determined in accordance with project cash flow projections and the requirements of the governing board ordinance.

Each fund portfolio will have a weighted average maturity of one (1) year or less. This dollar weighted average maturity will be calculated using the stated final maturity dates of each security.

### **Prohibited by this Policy**

The following securities are expressly prohibited by state law and this policy: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal (IO's); (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest (PO's); (3) collateralized mortgage obligations that have a stated final maturity date of greater than 10 years; and (4) collateralized mortgage obligations, the interest rate of which is determined by an index that adjusts opposite to the changes in a market index (inverse floaters).

### **Diversification**

The KEDC recognizes that investment risks can result from issuer defaults, market price change or various technical complications leading to temporary illiquidity. Risk is controlled through portfolio diversification that shall be achieved by the following general guidelines:

- Limiting investments to avoid overconcentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities and certificates of deposits that are fully insured and collateralized in accordance with state and federal law),
- Limiting investment in securities that have higher credit risks,
- Investing in securities with varying maturities, and
- Continuously investing a portion of the portfolio in readily available funds such as local government investment pools (LGIPs), money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

The following maximum limits, by instrument, are established for the City’s total portfolio:

1. U.S. Treasury Securities\_\_\_\_\_ 100%
2. Agencies & Instrumentalities\_\_\_\_\_ 80%
3. Certification of Deposit\_\_\_\_\_ 50%
4. Repurchase Agreements\_\_\_\_\_ 50%
5. Money Market Mutual Funds\_\_\_\_\_ 50%
6. Authorized Pools\_\_\_\_\_ 100%

## **IX. INVESTMENT STRATEGY BY FUND TYPE**

### **Operating Funds & Commingled Funds Containing Operating Funds**

Operating funds will have as their primary objective to support the goals of the investment policy on these funds for safety and assure that cash flows are matched with adequate liquidity while obtaining reasonable market yields. This will be accomplished by purchasing quality, short-term securities, liquid securities in a laddered structure, or utilizing an investment pool. The dollar-weighted average will be 180 days or less to accomplish this goal. The portfolio shall be diversified to protect against credit and market risk in any one sector. Diversification requirements can be fully met through use of an authorized pool. Operating fund reserves or fund balances shall only be invested in securities that have a maximum security of 24 months or less, except when otherwise approved by council action.

### **Debt Service**

Investment strategies for debt service funds shall have as the primary objective the guarantee of investment liquidity adequate to cover the debt service obligation on the required payment date. Investments will be made that will promise safety of principal and liquidity first and yield and diversification second. Securities purchased will not have maturity dates that exceed the next debt service payment date until the next debt service payment is fully funded, and in no instance will have a maximum weighted average maturity of six (6) months.

### **Debt Service Reserves**

Investments will have as the primary objective the ability to generate a dependable revenue stream to the appropriate debt service fund within the limits set forth by the bond ordinance or debt covenants specific to each individual bond issue.

Since this is one of the highest priorities of the KEDC, securities will be chosen with the highest priorities of safety. Securities will be chosen for their maturity dates and not require the highest degree of diversification.

Securities purchased shall not have a stated final maturity date which exceeds the next debt service payment date until fully funded and shall be chosen secondarily with regard to yield and diversification.

Reserve funds will have the same primary objective but shall be further controlled with the purchase of securities carrying the highest yield available, within the desired maturity and quality range with a maximum weighted average maturity of six (6) months.

## **X. SELECTION OF BANKS AND DEALERS**

### **Depository**

A Depository shall be selected at least every five (5) years. Unless otherwise directed by the KEDC Board of Directors, the KEDC shall maintain deposits at the City of Kaufman's designated depository under its own account(s). If the KEDC Board of Directors decides not to maintain deposits at the City's designated depository, it will select a depository that qualifies as a depository for public funds in accordance with state and local laws and this policy. This will be selected via a formal request for proposals (RFP) for a maximum of an initial three (3) year term, with options to renew for either one (1) two-year term, or two (2) one-year terms. A depository shall be selected on combined factors based on institutional stability, associated cost(s), accessibility and service.

### **Authorized Brokers/Dealers**

Authorized firms may include primary dealers, or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (Uniform Net Capital Rule) and qualified depositories.

All financial institutions and broker/dealers who desire to become qualified bidders for investment transaction must supply the following as appropriate:

- Audited financial statements
- Completed broker/dealer questionnaire
- Certification of having read and understood the KEDC's investment policy and agreeing to comply with the policy

The KEDC shall defer to the City of Kaufman for qualified brokers/dealers and financial institutions authorized to engage in investment transactions with the KEDC.

### **Competitive Bids**

It is the policy of the KEDC that competitive bidding is not required for the investment of funds in a) an authorized pool, b) certificate of deposit, c) transactions with money market

mutual funds, d) high yield interest bearing accounts through the depository bank or e) treasury and agency securities purchased at issue through an approved broker/dealer or financial institution.

To purchase a direct investment, KEDC Executive Director and City of Kaufman Finance Director or their designee shall make their best effort to obtain at least three (3) offers from qualified firms. Offers shall be in writing and may be delivered to the KEDC in person or by email. The award shall be on the basis of the best value to the KEDC. The City of Kaufman's Finance Director shall maintain records of the offers and award.

The KEDC recognizes that a competitive offering process is not always necessary or is not always in the best interest of the KEDC. Accordingly, new issue offerings may be purchased directly from an approved broker/dealer in the primary market with approval by the KEDC Board of Directors.

### **Delivery vs. Payment**

Securities shall be purchased using the **delivery vs. payment** method with the exception of local government investment pools and mutual fund transactions. Funds shall not be wired or paid until verification has been made that the Trustee received the correct security. The security shall be held in the name of the KEDC or held on behalf of the KEDC. The Trustee's records shall assure the notation of the KEDC's ownership of or explicit claim on the securities. The original copy of all safekeeping receipts shall be delivered to the KEDC.

## **XI. SAFEKEEPING OF SECURITIES**

### **Safekeeping Agreement**

The KEDC shall contract with a bank or banks for the safekeeping of securities either owned by the KEDC as part of its investment portfolio or held as collateral to secure demand or time deposits.

### **Safekeeping**

All securities owned by the KEDC shall be held by its safekeeping agent, except the collateral for certificates of deposits in banks. The collateral for certificates of deposit in banks will be registered in the KEDC's name in the bank's trust department or, alternatively, in a Federal Reserve Bank account in the KEDC's name, or a third-party bank in the KEDC's name, at the KEDC's discretion. Original safekeeping receipts shall be obtained.

### **Collateralization**

Consistent with the requirements of the Texas Public Funds Collateral Act, it is the policy of the KEDC to require full collateralization of all KEDC investments and funds on deposit with

a depository bank, other than investments which are obligations of the U.S. government and its agencies and instrumentalities. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 105% of market or par, whichever is lower. The market value of collateral will always equal or exceed the principal plus accrued interest of deposits at financial institutions. At its discretion, the KEDC may require a higher level of collateralization for certain investment securities. Securities pledged as collateral shall be held by an independent third party with whom the KEDC has a custodial agreement. The City's Finance Director is responsible for entering into collateralization agreements with third party custodians in compliance with this Policy. The agreements are to specify the acceptable investment securities for collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities and the method of valuation of securities. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the KEDC and retained. Collateral shall be reviewed at least weekly to assure that the market value of the pledged securities is adequate. Financial institutions, with which the KEDC invests or maintains other deposits, shall provide monthly, and as requested by the Investment Officer, a listing of the collateral pledged to the KEDC, marked to current market prices. The listing shall include total pledged securities itemized by name, type, description, par value, current market value, maturity date and Moody's or Standard & Poor's rating, if applicable. The KEDC and the financial institution shall jointly assume the responsibility for ensuring that the collateral is sufficient by type, description, par value, current market value, maturity date and Moody's or Standard & Poor's rating.

### **Collateral Defined**

In accordance with Chapter 2257 of the Texas Government Code and the depository contract, all demand deposits and time deposits will be collateralized by the pledging of investment securities or by letters of credit from the Federal Home Loan Bank. If securities are used as collateral, the KEDC Executive Director or Finance Director for the City of Kaufman must approve the security prior to its pledging. Pledged securities shall always be held by a third party and evidenced by a current safekeeping receipt.

### **Subject to Audit**

All collateral shall be subject to inspection and audit by the City's Finance Director or the KEDC's independent auditors.

## **XII. PERFORMANCE**

### **Performance Standards**

The KEDC's investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio shall be designed with the objective of obtaining a

rate of return through budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow requirements of the KEDC.

### **Performance Benchmark**

It is the policy of the KEDC to purchase investments with maturity dates coinciding with cash flow needs. Through this strategy, the KEDC attempts to optimize interest earnings utilizing allowable investments available on the market at that time. Market value will be calculated on a quarterly basis on all securities owned and compared to current book value of those securities to determine portfolio performance during that period of time. The KEDC's portfolio shall be designed with the objective of regularly meeting or exceeding the average rate of return on U.S. Treasury Bills at a maturity level comparable to the KEDC's weighted average maturity in days.

## **XIII. REPORTING**

### **Methods**

The Investment Officer shall prepare an investment report on a quarterly basis, unless otherwise requested by the KEDC Board of Directors, that summarizes investment strategies employed and describes the portfolio in terms of investment securities, maturities and shall explain the total investment return for the year.

The quarterly investment report shall include a summary statement of investment activity prepared in compliance with generally accepted accounting principles. This summary will be prepared in a manner which will allow the KEDC to ascertain whether investment activities during the reporting period have conformed to the Investment Policy. The report will be provided to the KEDC Executive Director and KEDC Board of Directors. The report will include the following:

- A listing of individual securities held at the end of the reporting period.
- Unrealized gains or losses resulting from appreciation or depreciation by listing the beginning and ending book and market value of securities for the period.
- Additions and changes to the market value during the period.
- Average weighted yield to maturity of portfolio as compared to applicable benchmark.
- Listing of investments by maturity date.
- Fully accrued interest for the reporting period.
- The percentage of the total portfolio which each type of investment represents.
- Statement of compliance of the KEDC's investment portfolio with state law and the investment strategy and policy approved by the KEDC Board of Directors.

An independent auditor will perform a formal annual review of the quarterly reports with the results reported to the governing body.

### **Marking to Market**

Market value of all securities in the portfolio will be determined on a quarterly basis. These values will be obtained from a reputable and independent source and disclosed to the governing body quarterly in a written report.

## **XIV. INVESTMENT POLICY ADOPTION**

The Kaufman EDC investment policy shall be adopted by the KEDC Board of Directors. It is the KEDC's intent to comply with state laws and regulations. The KEDC's investment policies shall be subject to revisions to stay current with changing laws, regulations and needs of the KEDC. The policy shall be reviewed annually by the KEDC Board of Directors and any changes or modifications must be approved by the KEDC Board of Directors.