



NOTICE OF MEETING OF COPPERAS COVE ECONOMIC DEVELOPMENT CORPORATION

Notice is hereby given that a Regular Meeting of the Copperas Cove Economic Development Corporation will be held on May 25, 2022, at 12.00 p.m. in the Technology Center at 508 S. 2nd Street, Copperas Cove, Texas 76522 at which time the following agenda will be discussed.

- A. CALL TO ORDER**
- B. INVOCATION AND PLEDGE OF ALLEGIANCE**
- C. ROLL CALL**
- D. ANNOUNCEMENTS**
- E. CITIZENS FORUM**

At this time, citizens will be allowed to speak on any matter other than personnel matters, matters under litigation, or matters on the regular agenda, for a length of time not to exceed five minutes per person. Thirty minutes total has been allotted for this section.

- F. CONSENT AGENDA**

All matters listed under this item are considered to be routine by the EDC Board of Directors and will be enacted by one motion. There will not be a separate discussion of these items. If discussion is desired, that item will be removed from the consent agenda and considered separately.

- 1. Consideration and action on approval of minutes for the Regular Meeting held on April 27, 2022. **Brittany Sanders, Economic Development Specialist, Copperas Cove EDC.**
- 2. Consideration and action on approving minutes for the Special Meeting held on May 11, 2022. **Brittany Sanders, Economic Development Specialist, Copperas Cove EDC.**

- G. PUBLIC HEARINGS**

- H. ACTION ITEMS**

- 1. Consideration and action on approving the Profit and Loss report for the month of April 2022. **Fred Welch, Executive Director, Copperas Cove EDC.**

2. Consideration and action on authorizing the Executive Director to enter into an agreement with Weaver and Tidwell L.L.P for the fiscal year 2021. **Fred Welch, Executive Director, Copperas Cove EDC.**
3. Consideration and action on accepting the resignation of Joey Acfalle. **Fred Welch, Executive Director, Copperas Cove EDC.**
4. Discussion and direction for the Proposed Budget for FY 2022/2023. **Fred Welch, Executive Director, Copperas Cove EDC**

I. REPORTS FROM STAFF, OUTSIDE ENTITIES, ADVISORY COMMITTEES, AND BOARDS

1. Update on EDC Activities. **Diane Drussell, Assistant Director, Copperas Cove EDC.**
2. Executive Directors Report. **Fred Welch, Executive Director, Copperas Cove EDC.**

J. ITEMS FOR FUTURE AGENDAS

K. EXECUTIVE SESSION

L. RECONVENE INTO AN OPEN SESSION FOR POSSIBLE ACTION RESULTING FROM ANY ITEM POSTED AND LEGALLY DISCUSSED IN THE EXECUTIVE SESSION.

M. ADJOURN

The Board of Directors reserves the right to adjourn into Executive Session at any time regarding any issue on this agenda for which it is legally permissible.

I, the undersigned authority, do hereby certify that the above Notice of Meeting of the Governing Body of the Copperas Cove Economic Development Corporation was posted at **5:00 p.m. May 20, 2022**, inside the Display Case of the Copperas Cove Economic Development Corporation, 113 W. Avenue D, Copperas Cove, Texas, a place convenient and readily accessible to the public always.

Brittany Sanders, ED Specialist
Copperas Cove EDC

Economic Development Corporation

F.1.

Meeting Date: May 25, 2022

Contact: Brittany Sanders, Economic Development Specialist, Copperas Cove EDC

Subject:

Consideration and action on approval of minutes for the Regular Meeting held on April 27, 2022.

Brittany Sanders, Economic Development Specialist, Copperas Cove EDC

Attachments:

April 27, 2022, Regular Meeting Minutes



COPPERAS COVE ECONOMIC DEVELOPMENT CORPORATION
Meeting Minutes for April 27, 2022

A. CALL TO ORDER

Chairman JC Stubbs called the Regular meeting of the Copperas Cove Economic Development Corporation to order at 12:04 p.m.

B. INVOCATION AND PLEDGE OF ALLEGIANCE

Vice-Chairman Joey Acfalle led the Invocation and the Pledge of Allegiance.

C. ROLL CALL

Roll call led by Brittany Sanders, Economic Development Specialist

<i>Present:</i>	<i>JC Stubbs, Chairman</i>	<i>Fred Welch, Executive Director</i>
	<i>Joey Acfalle, Vice Chairman</i>	<i>Diane Drussell, Assistant Director</i>
	<i>Rick Kirkpatrick, Director</i>	<i>Brittany Sanders, ED Specialist</i>
	<i>Elizabeth Ruszkiewicz, Director</i>	<i>Fred Chavez, Council Liaison</i>
	<i>Jay Jackson, Secretary</i>	<i>Ryan Haverlah, City Manager</i>

Absent: Barbara Boulware-Wells, Legal Counsel

D. ANNOUNCEMENTS

Information for upcoming events:

CCEDC Community Assessment Meetings held on May 11-14th

- Wednesday, Board Workshop, May 11, 2022, from 9 am-11 am
- Wednesday, May 11, 2022, from 12:00 pm to 2:00 pm
- Wednesday, May 11, 2022, from 5:00 pm to 7:00 pm
- Thursday, May 12, from 8:00 am to 10:00 am
- May 13-14th- Individual Interviews
- May 19, 2022- Rabbit Fest

E. CITIZENS FORUM

At this time, citizens will be allowed to speak on any matter other than personnel matters, matters under litigation, or matters on the regular agenda, for a length of time not to exceed five minutes per person. Thirty minutes total has been allotted for this section.

F. CONSENT AGENDA - All matters listed under this item are considered to be routine by the EDC Board of Directors and will be enacted by one motion. There will not be a separate discussion of these Item. If discussion is desired, that item will be removed from the consent agenda and considered separately.

1. Consideration and action on approval of minutes for the Regular Meeting held on March 23, 2022. **Brittany Sanders, Economic Development Specialist, Copperas Cove EDC.**

Vice-Chairman Joey Acfalle made a motion to approve Agenda Item F1. Secretary Jay Jackson seconded the motion and with a unanimous vote, the motion carried.

G. PUBLIC HEARINGS

None

H. ACTION ITEM

1. Consideration and action on approving the Profit and Loss report for the month of March 2022. **Diane Drussell, Assistant Director, Copperas Cove EDC.**

Director Rick Kirkpatrick made a motion to approve Agenda Item H1. Vice-Chairman Joey Acfalle seconded the motion and with a unanimous vote, the motion carried.

2. Consideration and action on approving Resolution # EDC 2022-02 and accepting the Quarterly Investment Report as presented for the quarter ending March 2022, per the Investment Policy. **Diane Drussell, Assistant Director, Copperas Cove EDC.**

Secretary Jay Jackson made a motion to approve Agenda Item H2. Director Elizabeth Ruszkiewicz seconded the motion and with a unanimous vote, the motion carried.

3. Consideration and action to approve Resolution # EDC 2022-03, authorizing representatives on the TexPool account to be updated and changed. **Diane Drussell, Assistant Director, Copperas Cove EDC**

Vice-Chairman Joey Acfalle made a motion to approve Agenda Item H3. Director Rick Kirkpatrick seconded the motion and with a unanimous vote, the motion carried.

4. Consideration and action on approving the engagement letter from Mike Barnes Group for the purpose of facilitation and providing a Community Assessment for the Copperas Cove EDC. **Fred Welch, Executive Director, Copperas Cove EDC.**

Secretary Jay Jackson made a motion to approve Agenda Item H4. Vice-Chairman Joey Acfalle seconded the motion and with a unanimous vote, the motion carried.

I. EDC REPORTS FROM STAFF, OUTSIDE ENTITIES, ADVISORY COMMITTEES AND BOARDS

1. Update on EDC Activities. **Diane Drussell, Assistant Director, Copperas Cove EDC.**

- *Assistant Director Diane Drussell gave an update on the March 26th Entrepreneur workshop*

2. Executive Director Report. **Fred Welch, Executive Director, Copperas Cove EDC.**

- *Executive Director Fred Welch gave an update on the following topics listed below:*
 - *9 key meetings with stakeholders, councils, and Fort Hood*
 - *3 community events*
 - *1 developer site visit looking at the Narrows and other commercial properties*
 - *1 site visit- consultant for our community assessment*
 - *2 ½ day visit to Tyler TX on AEDO rectification*
 - *Annual report submitted to Comptroller- required each year*

J. ITEM FOR FUTURE AGENDAS

K. EXECUTIVE SESSION –Convene into Executive Session at 12:27 p.m.

Convene into Executive Session pursuant to Section 551.071 (Advice of Counsel) and Section 1.05 Texas Disciplinary Rules of Professional Conduct in addition to specific Sections stated below:

2. Pursuant to §551.087 of the Texas Government Code, the Economic Development Corporation Board will meet in Executive Session to discuss a business prospect referenced as **Project DC.**
3. Pursuant to §551.087 of the Texas Government Code, the Economic Development Corporation Board will meet in Executive Session to discuss a business prospect referenced as **Project Spring.**

L. RECONVENE INTO OPEN SESSION AT 12:57 P.M FOR POSSIBLE ACTION RESULTING FROM ANY ITEM POSTED AND LEGALLY DISCUSSED IN THE EXECUTIVE SESSION

No action was taken for Item 1 in Executive Session.

Vice-Chairman Joey Acfalle made a motion to have CCEDC Staff move forward with the contract between Copperas Cove EDC and Project Spring, with an amendment to Section 13.6, allowing “First Right of Refusal” on any sale of undeveloped property at the original purchase price. Secretary Jay Jackson seconded the motion and with a unanimous vote, the motion carried.

M. ADJOURN

Chairman JC Stubbs adjourned the meeting at 12:49 p.m.

ATTEST:

Brittany Sanders, ED Specialist

Jay Jackson, Secretary

Economic Development Corporation

F.2.

Meeting Date: May 25, 2022

Contact: Brittany Sanders, Economic Development Specialist, Copperas Cove EDC

Subject:

Consideration and action on approval of minutes for the Special Meeting held on May 11, 2022.

Brittany Sanders, Economic Development Specialist, Copperas Cove EDC

Attachments:

May 11, 2022, Special Meeting Minutes



**COPPERAS COVE ECONOMIC DEVELOPMENT CORPORATION
MEETING MINUTES FOR MAY 11, 2022**

A. CALL TO ORDER

Chairman JC Stubbs called the Special meeting of the Copperas Cove Economic Development Corporation to order at 9:12 p.m.

B. ROLL CALL

Roll call led by Brittany Sanders, Economic Development Specialist

*Present: JC Stubbs, Chairman
Rick Kirkpatrick, Director
Elizabeth Ruszkiewicz, Director*

*Fred Welch, Executive Director
Diane Drussell, Assistant Director
Brittany Sanders, ED Specialist*

*Absent: Barbara Boulware-Wells, Legal Counsel
Jay Jackson, Secretary
Fred Chavez, Council Liaison*

*Jay Jackson, Secretary
Joey Acfalle, Vice Chairman*

C. ACTION ITEM

1. Consideration and action on approving minutes for the Special Meeting held on May 4, 2022.
Brittany Sanders, Economic Development Specialist, Copperas Cove EDC.

Director Elizabeth Ruszkiewicz made a motion to approve Agenda Item C1. Director Rick Kirkpatrick seconded the motion and with a unanimous vote, the motion carried.

D. EXECUTIVE SESSION

1. Pursuant to §551.072 of the Texas Government Code, the Economic Development Corporation Board will meet in Executive Session to discuss deliberation regarding the purchase, exchange, lease, or value of real property. **Project Spring.**

E. ADJOURN

Chairman JC Stubbs adjourned the meeting at 9:13 a.m.

ATTEST:

Brittany Sanders, ED Specialist

Jay Jackson, Secretary

Economic Development Corporation

H.1.

Meeting Date: May 25, 2022

Contact: Diane Drussell, Assistant Director, Copperas Cove EDC

Subject:

Consideration and action on approving the Profit and Loss report for the month of April 2022. **Diane Drussell, Assistant Director, Copperas Cove EDC.**

Description/Information:

The Profit and Loss report for April 2022 has been prepared by the Donkbuilt Service Exchange "Donkbuilt" as per the agreement between the CCEDC and Donkbuilt. The report is attached for review by the Board.

Financial Impact:

See the attached Profit and Loss report.

Action/Recommendation:

EDC staff recommends the Board approve the Profit and Loss report for April 2022 as presented by Fred Welch.

Attachments:

April 2022 Financials:

Profit and Loss
Bancorp South Reconciliation Summary
TEXPOOL – Reconciliation Summary

Copperas Cove Economic Development Corporation
Profit & Loss

January 2022

Jan 22

Ordinary Income/Expense	
Income	
Revenues	
Interest Income	367.57
Total Revenues	<u>367.57</u>
Total Income	367.57
Expense	
EXPENDITURES	
EDC ADMINISTRATION	
PERSONNEL	
Staff Salary	10,845.67
Longevity	36.92
FICA Tax	815.19
Employee Insurance	660.50
Retirement	1,381.75
Other Personnel Expenses	<u>1,121.60</u>
Total PERSONNEL	14,861.63
SUPPLIES AND MATERIALS	
Office Supplies	287.40
Furniture and Fixtures	<u>75.76</u>
Total SUPPLIES AND MATERIALS	363.16
REPAIRS AND MAINTENANCE	
Repairs & Maint. - Bldg	553.07
Repairs & Maint. - Facility	55.00
Repairs & Maint. - Equipment	<u>337.50</u>
Total REPAIRS AND MAINTENANCE	945.57
CONTRACTUAL SERVICES	
Bank Analysis Fees	0.98
Communication	702.01
Rental of Equipment	289.99
Rental of Property	1,600.00
Dues and Subscriptions	3,342.39
Professional Development	2,759.99
Professional Services	428.16
Recruiting/Executive Search	19,116.63
Utilities	<u>445.35</u>
Total CONTRACTUAL SERVICES	28,685.50
DESIGNATED EXPENSES	
Insurance Expense	1,056.90
Board Related Expenses	68.49
Public Relations	<u>173.78</u>
Total DESIGNATED EXPENSES	<u>1,299.17</u>
Total EDC ADMINISTRATION	46,155.03
DEBT SERVICES	
2012 Sales Tax Bond Note Int	<u>3,285.52</u>

Copperas Cove Economic Development Corporation Profit & Loss

January 2022

Jan 22

Total DEBT SERVICES	<u>3,285.52</u>
EDC NON-DEPARTMENTAL	
SUPPLIES AND MATERIAL	
Program / Project Supplies	<u>17.00</u>
Total SUPPLIES AND MATERIAL	<u>17.00</u>
CONTRACTUAL SERVICES	
Advertising	80.35
Contract Labor	33,300.00
Business Attraction	<u>182.77</u>
Total CONTRACTUAL SERVICES	<u>33,563.12</u>
Total EDC NON-DEPARTMENTAL	<u>33,580.12</u>
Total EXPENDITURES	<u>83,020.67</u>
Total Expense	<u>83,020.67</u>
Net Ordinary Income	<u>-82,653.10</u>
Net Income	<u><u>-82,653.10</u></u>

9:45 AM

05/18/22

Copperas Cove Economic Development Corporation
Reconciliation Summary
Cash- BANCORPSOUTH, Period Ending 04/30/2022

	<u>Apr 30, 22</u>
Beginning Balance	3,078,643.59
Cleared Transactions	
Checks and Payments - 34 items	-122,850.56
Deposits and Credits - 4 items	123,423.44
Total Cleared Transactions	<u>572.88</u>
Cleared Balance	<u>3,079,216.47</u>
Uncleared Transactions	
Checks and Payments - 11 items	-11,545.91
Deposits and Credits - 1 item	1,772.24
Total Uncleared Transactions	<u>-9,773.67</u>
Register Balance as of 04/30/2022	<u>3,069,442.80</u>
New Transactions	
Checks and Payments - 8 items	-24,984.89
Total New Transactions	<u>-24,984.89</u>
Ending Balance	<u>3,044,457.91</u>

Copperas Cove Economic Development Corporation
Reconciliation Detail
TEXPOOL ACCOUNT, Period Ending 04/30/2022

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						5,626,917.74
Cleared Transactions						
Deposits and Credits - 1 item						
General Journal	04/30/2022	92		X	1,407.13	1,407.13
Total Deposits and Credits					1,407.13	1,407.13
Total Cleared Transactions					1,407.13	1,407.13
Cleared Balance					1,407.13	5,628,324.87
Register Balance as of 04/30/2022					1,407.13	5,628,324.87
Ending Balance					1,407.13	5,628,324.87

Economic Development Corporation

H.2.

Meeting Date: May 25, 2022

Contact: Fred Welch, Executive Director, Copperas Cove EDC

Subject:

Consideration and action on authorizing the Executive Director to enter into an agreement with Weaver and Tidwell L.L.P. for the 20221 Fiscal Year audit. **Fred Welch, Executive Director, Copperas Cove EDC.**

Description/Information:

Each fiscal year the Economic Development Corporation (EDC) is required to have an audit completed by an independent certified public accountant. On August 2, 2016, the City Council selected Weaver and Tidwell LLP to perform the audit services for the City and the Corporation. Weaver has performed the audit for the EDC for the past three years

Findings/Current Activity:

Management's responsibilities are outlined in the attached engagement letter (see page 3 & 4) and include the following:

- Preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America.
- Design, implementation, and maintenance of internal control relevant to the preparation and fair preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to error fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grants agreements, or contractual agreements.
- Provide external auditors with access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters.
- Provide additional information that the external auditors may request for the purpose of the FY 2019 financial audit.
- Adjusting the basic financial statements to correct material misstatements and confirming with external auditors in the management representation letter.

Financial Impact:

\$15,000

Action/Recommendation:

EDC staff recommends the Board of Directors authorize the Executive Director to enter into an agreement with Weaver and Tidwell L.L.P. to perform the audit services for FY 2021.

Attachments:

FY 2021 Agreement Letter



May 16, 2022

Fred Welch
Executive Director
Copperas Cove Economic Development Corp.
113 West Avenue D
Copperas Cove, Texas 76522

Dear Mr. Welch

You have requested that Weaver and Tidwell, L.L.P. ("Weaver", "our", "us", and "we") audit the governmental activities and each major fund of the Copperas Cove Economic Development Corporation (the "Corporation"), as of September 30, 2021, and for the year then ended and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

Accounting principles generally accepted in the United States of America ("U.S. GAAP"), as promulgated by the Governmental Accounting Standards Board ("GASB") require that management's discussion and analysis and budgetary comparison information, among other items, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by GASB, which 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 the required supplementary information ("RSI") in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

1. Management's discussion and analysis
2. Budgetary comparison information
3. Retirement and OPEB plans – supplemental information

We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material aspects, in conformity with U.S. GAAP and to report on the fairness of the supplementary information referred to above when considered in relation to the basic financial statements as a whole. The objective also includes reporting on internal control related to the basic financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the basic financial statements in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States of America ("GAGAS").

Auditor Responsibilities

We will conduct our audit in accordance with U.S. GAAS and GAGAS. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. If appropriate, our procedures will therefore include tests of documentary evidence that support the transactions recorded in the accounts, tests of the physical existence of assets, and direct confirmation of cash, investments, and certain other assets and liabilities by correspondence with creditors and financial institutions. As part of our audit process, we may request written representations from your attorneys, and they may bill you for responding. At the conclusion of our audit, we will also request certain written representations from you about the basic financial statements and related matters.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements (whether caused by errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations) may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS and GAGAS.

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. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. 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.

In making our risk assessments, we consider internal control relevant to the Corporation's preparation and fair presentation of the basic financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the basic financial statements that we have identified during the audit.

During the course of the audit we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

Fred Welch
Copperas Cove Economic Development Corp.
May 16, 2022

Page 3 of 9

Adam McCane is the engagement partner for the audit services specified in this letter, and is responsible for supervising our services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

We may from time to time, and depending on the circumstances, use third-party service providers in performing this engagement. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service provider.

We expect to begin our audit procedures March 2022, and issue our report in May 2022. We will issue a written report upon completion of our audit of the Corporation's basic financial statements. Our report will be addressed to the Corporation's board of directors. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement. If our opinions on the financial statements or compliance 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.

As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of the 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.

In accordance with the requirements of GAGAS, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

Non-attest Services

In addition to audit procedures, we will prepare your financial statements and related notes using information and representations provided by you. These non/audit/nonattest services do not constitute an audit under GAGAS and such services will not be conducted in accordance with GAGAS.

Management Responsibilities

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance, acknowledge and understand that they have responsibility:

Page 4 of 9

- a. for the preparation and fair presentation of the basic financial statements in accordance with the framework described in Audit Objectives above;
- b. for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements; and
- c. to provide us with:
 - i. access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
 - ii. additional information that we may request from management for the purpose of the audit; and
 - iii. unrestricted access to persons within the Corporation from whom we determine it necessary to obtain audit evidence.
- d. for including the auditor's report, and our report on any supplementary information if described above, in any document containing the basic financial statements that indicates that such financial statements have been audited by the Corporation's auditor;
- e. for identifying and ensuring that the Corporation complies with the laws and regulations applicable to its activities;
- f. for adjusting the basic 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 current year under audit are immaterial, both individually and in the aggregate, to the basic financial statements as a whole;
- g. for maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
- h. with regard to the supplementary information referred to above: (a) for the preparation of the supplementary information in accordance with the applicable criteria; (b) to provide us with the appropriate written representations regarding supplementary information; (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) to present the supplementary information with the audited basic financial statements, or if the supplementary information will not be presented with the audited basic financial statements, to make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon; and

- i. informing us of facts that may affect the basic financial statements of which you may become aware during the period from the date of the auditor's report to the date the basic financial statements are issued.

We understand that your employees will prepare all confirmations we request and will locate any documents or support for any other transactions we select for testing.

If we agree herein or otherwise to perform any non-attest services (such as tax services or any other non-attest services), you agree to assume all management responsibilities for those services; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

GAGAS require that we document an assessment of the skills, knowledge, and experience of management, should we participate in any form of preparation of the basic financial statements and related schedules or disclosures as these actions are deemed a nonaudit/nonattest service.

During the course of our engagement, we will request information and explanations from management regarding the Corporation's operations, internal controls, future plans, specific transactions and accounting systems and procedures. At the conclusion of our engagement, we will require, as a precondition to the issuance of our report, that management provide certain representations in a written representation letter. The Corporation agrees that as a condition of our engagement to perform an audit that management will, to the best of its knowledge and belief, be truthful, accurate and complete in all representations made to us during the course of the audit and in the written representation letter. The procedures we perform in our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the written and oral representations that we receive from management. False or misleading representations could cause us to expend unnecessary efforts in the audit; or, worse, could cause a material error or a fraud to go undetected by our procedures.

Fees and Invoicing

We estimate that the fee for this engagement will be \$15,000. The fee estimate is based on anticipated cooperation from all involved and the assumption that unexpected circumstances will not be encountered during the engagement. This is only an estimate and the fee for these services will be determined by the complexity of the work performed and the tasks required. If significant additional time is necessary, we will discuss the reasons with you and arrive at a new fee estimate before we incur the additional costs. It is understood that neither our fees nor the payment thereof will be contingent upon the results of this engagement.

In addition to the fee for our services, reasonable and necessary out-of-pocket expenses we incur (such as parking, reproduction and printing, postage and delivery, and out-of-market travel, meals, and accommodations) will be billed at cost. At this time, we do not anticipate incurring substantial expenses.

Our engagement fees do not include consulting on the adoption of new accounting standards and any future increased duties because of any regulatory body, auditing standard or an unknown or unplanned significant transaction. We will consult with you in the event any of these take place that may affect our fees.

Fred Welch
Copperas Cove Economic Development Corp.
May 16, 2022

Page 6 of 9

We will also invoice for reasonable and necessary time and out-of-pocket expenses we incur to respond to any request (such as a subpoena, summons, court order, or administrative investigative demand) pertaining to this engagement in a legal matter to which we are not a party. Our time to facilitate the response will be billed at our then-current standard hourly rates, and our expenses (including attorney's fees) will be billed at cost. If we agree to perform additional substantive services related to or arising out of the request, such matters may be the subject of a new engagement letter.

Our invoices for this engagement will be rendered at the completion of our audit engagement. Our invoices are payable in accordance with Texas Government Code § 2251.021.

Ethical Conflict Resolution

In the unlikely event that circumstances occur which we in our sole discretion believe could create a conflict with either the ethical standards of our firm or the ethical standards of our profession in continuing our engagement, we may suspend our services until a satisfactory resolution can be achieved or we may resign from the engagement. We will notify you of such conflict as soon as practicable, and will discuss with you any possible means of resolving them prior to suspending our services.

The hiring of or potential employment discussions with any of our personnel could impair our independence. Accordingly, you agree to inform the engagement partner prior to any such potential employment discussions taking place.

Audit Documentation and Confidentiality

The audit documentation we prepare pertaining to and in support of this engagement is our property and constitutes confidential information. If we are requested to make the audit documentation available to outside parties, except in the case of requests during our peer review (discussed below) or when prohibited by law or direction of law enforcement, any such requests will be discussed with you before we make the documentation available to the requesting parties.

We may be requested to make certain audit documentation (working papers) available to regulators and other government agencies, pursuant to authority given by law or regulation. You should understand that responding to many such requests is mandatory. In those cases, access to such working papers will be provided under our supervision and we may, upon their request, provide the regulator or agency with copies of all or selected working papers. The requesting party may intend or decide to distribute the copies or information contained therein to others, including other regulators or agencies. You will be billed for additional fees as a result of the aforementioned work.

Our firm, as well as other accounting firms, participates in a peer review program covering our audit and accounting practices. This program requires that once every three years, we subject our system of quality control to an examination by another accounting firm. As part of this process, the firm conducting our peer review will review a sample of our work. It is possible that the work we perform for you may be selected for such a review. If it is, our peer review firm is bound by professional standards to keep all information confidential and we are required to provide the required information.

Fred Welch
Copperas Cove Economic Development Corp.
May 16, 2022

Page 7 of 9

We will retain our audit documentation for a period of at least seven years from the date of our report. You agree that following such period, we may destroy the audit documentation without notice to you.

To maintain independence, we will not act as the host of your financial or non-financial information or as your information back-up service provider. Instead, it is your responsibility to maintain a complete set of your financial and non-financial data and records. If some portion of your data and records is contained only within our files, you agree to inform us before the issuance of our report and we will provide that to you.

The parties do not intend this engagement letter to be for the benefit of any third-party. You may inform us of third-parties who will receive a copy of our audit report. Unless you inform us of such third-parties in writing, we are not aware of who you intend to supply our audit report to and we do not anticipate other third parties' reliance upon our professional services unless expressly stated herein.

During the course of the engagement, we may communicate via fax, email, or other electronic mechanism. Please be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

Dispute Resolution Procedure including Jury Waiver

If a dispute arises out of or relates to this engagement or engagement letter, or the breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by mediation before resorting to litigation. In such event, the parties will attempt to agree upon a location, mediator, and mediation procedures, but absent such agreement any party may require mediation in Austin, Texas, administered by the AAA under its Commercial Mediation Procedures.

This engagement letter and all disputes between the parties shall be governed by, resolved, and construed in accordance with the laws of the State of Texas, without regard to conflict-of-law principles. Any action arising out of or relating to this engagement or engagement letter shall only be brought in, and each party agrees to submit and consent to the exclusive jurisdiction of, the federal or state courts situated in Tarrant County, Texas.

Each party hereby irrevocably waives any right it may have to trial by jury in any proceeding arising out of or relating to this engagement or this engagement letter.

Whenever possible, this engagement letter shall be interpreted in such a manner as to be effective and valid under applicable laws, regulations, or published interpretation, but if any term of this engagement letter is declared illegal, unenforceable, or unconscionable, that term shall be severed or modified and the remaining terms of the engagement letter shall remain in force. The parties agree that the court should modify any term declared to be illegal, unenforceable, or unconscionable in a manner that will retain the intended term as closely as possible.

If because of a change in status or due to any other reason, any provision in this engagement letter would be prohibited by, or would impair our independence under laws, regulations or published interpretations by governmental bodies, professional organizations or other regulatory agencies, such provision shall, to that extent, be of no further force and effect and this agreement shall consist of the remaining portions.

Fred Welch
Copperas Cove Economic Development Corp.
May 16, 2022

Page 8 of 9

Miscellaneous

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of the latest external peer review report of our firm for your consideration and files.

We may at times provide you with documents marked as drafts. You understand that those documents are for your review purposes only. You should not rely upon those documents in any way.

Although the engagement partner responsible for this engagement is a licensed certified public accountant, we inform you that we have nonlicensees who may provide services pertaining to this engagement.

If you intend to make reference to our firm or include our report or any portion of it in a published document or other reproduction, and that document or other reproduction includes a version of our report or the financial statements that is assembled differently than any version we provided you or audited, you agree to provide us with printers' proofs or masters for our review and approval before reproducing. You also agree to provide us with a copy of the final reproduced material for our written approval before it is distributed. If, in our professional judgment, the circumstances require, we may withhold our approval. This requirement does not pertain to distributing our report or the financial statements when you do not modify their assembly or in situations where you disseminate the audited financial statements as a standalone document, such as on your website.

This engagement letter sets forth all of the agreed upon terms and conditions of our engagement with respect to the matters covered herein, and supersedes any that may have come before. This engagement letter may not be amended or modified except by further writing signed by all the parties.

[Intentionally Left Blank]

Fred Welch
Copperas Cove Economic Development Corp.
May 16, 2022

Page 9 of 9

We appreciate the opportunity to assist you and look forward to working with you and your team.

Sincerely,

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas

Please sign and return a copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our engagement as described herein, including each party's respective responsibilities. By signing below, the signatory also represents that they have been authorized to execute this agreement.

Copperas Cove Economic Development Corp.

By: _____

Printed Name: _____

Title: _____

Date: _____

Economic Development Corporation

H.3.

Meeting Date: May 25, 2022

Contact: Diane Drussell, Assistant Director, Copperas Cove EDC

Subject:

Consideration and action on accepting the resignation of Joey Acfalle, Vice Chairman. **Fred Welch, Executive Director, Copperas Cove EDC.**

Description/Information:

EDC Vice-Chairman Joey Acfalle resigned from the Board leaving his position vacant.

Financial Impact:

None

Action/Recommendation:

EDC staff seeks direction from the BOD regarding Board resignation.

Attachments:

Resignation Letter

April 28, 2022

To Whom It May Concern:

This is to inform you of my intent to end my status as a board member effective May 1, 2022.



Joey Acfalle

Economic Development Corporation

H.4.

Meeting Date: May 25, 2022

Contact: Fred Welch, Executive Director, Copperas Cove EDC.

Subject:

Discussion and direction for the Proposed Budget for FY 2022/2023. **Fred Welch, Executive Director, Copperas Cove EDC.**

Description/Information:

The Executive Director of the EDC is required to prepare an itemized budget to cover the proposed expenditures of the EDC for each upcoming fiscal year (FY). Article V, Section 7 of the CCEDC's Bylaws states that the proposed budget is to be submitted to the Board 90 days prior to adoption.

Financial Impact:

See Proposed FY 2022/2023 Proposed Budget

Action/Recommendations:

CCEDC staff seeks direction on the FY 2022-2023 Proposed Budget.

Attachments:

FY 2022/2023 Proposed Budget

Economic Development Corporation

I.1

Meeting Date: May 25, 2022

Contact: Diane Drussell, Assistant Director, Copperas Cove EDC

UPDATE

1. Update on EDC Activities. **Diane Drussell, Assistant Director, Copperas Cove EDC**
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Economic Development Corporation

I.2

Meeting Date: May 25, 2022

Contact: Fred Welch, Executive Director, Copperas Cove EDC.

UPDATE

- 2. Executive Director Report. Fred Welch, Executive Director, Copperas Cove EDC.**
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