

Orleans Land Restoration Corporation

121 North Main Street
Albion, NY 14411

(585) 589-7060

OLRC Board Meeting Agenda

Friday March 3, 2023 at 9:00 AM

Updated: 2/24/23

- **Roll Call** – Calling of Board members, announcement as to whether a quorum is present
- **Approval of the previous Board Meeting Minutes**
 - **January 23, 2022 Meeting Minutes-(Electronic) – Motion**
- **Financials**
 - **Accept the OLRC Monthly Financials (Finance Package) – Motion**
- **Legal**
- **Operations Report**
 - Facilities/Sites
- **Old Business**
 - None
- **New Business**
 - **Consider Engagement letter from EFPR Group for Audit Services – Motion**
 - Consider the approval of Guidelines and Policies
 - **Investment Policy – Motion**
 - **Real Property Acquisition - Motion**
 - **Property Disposal Guideline – Motion**
 - **Procurement Policy – Motion**
 - **Consider the approval of the Governance Committee Charter - Motion**
- **Executive Session – If Required – Motion (Including invitees)**
 - **Action on any matters from executive session – Motion**
- **Motion to adjourn**



KeyBank
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Corporate Banking Statement
January 31, 2023
 page 1 of 3

852359047

8 X 968 00008 R EM T1
 ORLEANS LAND RESTORATION CORPORATION
 121 N MAIN ST FL 2
 ALBION NY 14411-1237

Questions or comments?
 Call 1-800-821-2829

- O L R C -

Commercial Transaction 852359047
 ORLEANS LAND RESTORATION CORPORATION

Beginning balance 12-31-22	\$88,256.18
8 Additions	+29,320.66
8 Subtractions	-65,430.40
Net fees and charges	-26.50
Ending balance 1-31-23	\$52,119.94

Additions

Deposits	Date	Serial #	Source	
	1-3		Deposit Branch 0290 New York	\$5,258.33
	1-3		Deposit Branch 0290 New York	2,674.66
	1-3		Deposit Branch 0290 New York	2,176.57
	1-23		Deposit Branch 0290 New York	1,125.59
	1-30		Deposit Branch 0290 New York	8,898.53
	1-31		Deposit Branch 0290 New York	5,258.33
	1-31		Deposit Branch 0290 New York	2,176.57
	1-31		Deposit Branch 0290 New York	1,752.08
Total additions				\$29,320.66

Subtractions

Paper Checks

* check missing from sequence

Check	Date	Amount	Check	Date	Amount	Check	Date	Amount
1007	1-3	\$1,031.25	1011	1-13	3,000.00	*1015	1-31	6,500.00
1008	1-3	385.80	1012	1-23	25.00	*235904	1-17	50,000.00
*1010	1-13	99.95	1013	1-25	4,388.40			

Paper Checks Paid \$65,430.40

Received on 2/1/23
[Signature]

Orleans Land Restoration Corporation Balance Sheet Prev Year Comparison As of January 31, 2023

	Jan 31, 23	Jan 31, 22	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
200 - Cash Account	54,794.60	84,114.40	-29,319.80	-34.9%
200.001 - OLCRC Checking Acc Non Interest	167,078.94	141,611.94	25,467.00	18.0%
200.004 - OLCRC GAIN Interest Bearing				
Total 200 - Cash Account	221,873.54	225,726.34	-3,852.80	-1.7%
Total Checking/Savings	221,873.54	225,726.34	-3,852.80	-1.7%
Accounts Receivable				
1200 - Accounts Receivable	-19,211.10	0.00	-19,211.10	-100.0%
Total Accounts Receivable	-19,211.10	0.00	-19,211.10	-100.0%
Other Current Assets				
Loan Principal-Current				
ARG Services of WNY Inc.	-2,444.76	26,444.07	-28,888.83	-109.3%
LynOak Farms Inc.	-1,648.71	18,045.50	-19,694.21	-109.1%
MJZ Restaurant Group/Zambistro	33,756.49	0.00	33,756.49	100.0%
Quorum-Takeform	-2,086.65	22,569.94	-24,656.59	-109.3%
Quorum-Takeform#2	-5,077.62	55,299.29	-60,376.91	-109.2%
Quorum Group LLC	150,000.00	150,000.00	0.00	0.0%
Velocitii	275,000.00	0.00	275,000.00	100.0%
Total Loan Principal-Current	447,498.75	272,358.80	175,139.95	64.3%
Total Other Current Assets	447,498.75	272,358.80	175,139.95	64.3%
Total Current Assets	650,161.19	498,085.14	152,076.05	30.5%
Fixed Assets				
Accum Depreciation	-4,675.00	-4,675.00	0.00	0.0%
Equipment	4,675.00	4,675.00	0.00	0.0%
Holley Business Park	319,622.09	319,622.09	0.00	0.0%
Land				
OLCRC 3959 Bates Road	83,966.00	83,966.00	0.00	0.0%
Land - Other	172,336.26	172,336.26	0.00	0.0%
Total Land	256,302.26	256,302.26	0.00	0.0%
Medina Business Park				
MBP Sewer System	160,116.29	160,116.29	0.00	0.0%
SS Interagency Installment	11,034.86	11,034.86	0.00	0.0%
Medina Business Park - Other	87,245.63	87,245.63	0.00	0.0%
Total Medina Business Park	258,396.78	258,396.78	0.00	0.0%
Total Fixed Assets	834,321.13	834,321.13	0.00	0.0%

Orleans Land Restoration Corporation
Balance Sheet Prev Year Comparison
As of January 31, 2023

	Jan 31, 23	Jan 31, 22	\$ Change	% Change
Other Assets				
Contingent Deferred Loans				
MJZ Restaurant Group/Zambistro	39,000.00	0.00	39,000.00	100.0%
Quorum-Takeform#2 5/30/19	-300,000.00	-300,000.00	0.00	0.0%
Quorum Group LLC 2/1/2019	-150,000.00	-150,000.00	0.00	0.0%
Velocitii 12/07/2022	-275,000.00	0.00	-275,000.00	-100.0%
Total Contingent Deferred Loans	-686,000.00	-450,000.00	-236,000.00	-52.4%
Deposit for Land Option	45,000.00	45,000.00	0.00	0.0%
Due from OEDA	132,838.96	132,838.96	0.00	0.0%
Loan Receivable-Non Current				
ARG SERVICES of WNY Inc.	81,741.02	81,741.02	0.00	0.0%
LynOaken Farms Inc.	124,039.39	124,039.39	0.00	0.0%
Quorum-Takeform	31,924.24	31,924.24	0.00	0.0%
Quorum-Takeform #2	108,425.96	108,425.96	0.00	0.0%
Total Loan Receivable-Non Current	346,130.61	346,130.61	0.00	0.0%
Quorum Group LLC	300,000.00	300,000.00	0.00	0.0%
Total Other Assets	137,969.57	373,969.57	-236,000.00	-63.1%
TOTAL ASSETS	1,622,451.89	1,706,375.84	-83,923.95	-4.9%
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Other Current Liabilities				
Kepler Site - C/P	10,000.00	10,000.00	0.00	0.0%
Kepler Site Loan Payable	-11,500.00	-5,000.00	-6,500.00	-130.0%
Kepler Site Loan Payable - Cur	-5,000.00	-5,000.00	0.00	0.0%
Mortgage Payable-Current	40,813.00	40,813.00	0.00	0.0%
Repay to OEDA/ORLF/OLRC	81,685.04	81,685.04	0.00	0.0%
Total Other Current Liabilities	115,998.04	122,498.04	-6,500.00	-5.3%
Total Current Liabilities	115,998.04	122,498.04	-6,500.00	-5.3%
Long Term Liabilities				
Current Portion-Contra Account	-40,813.00	-40,813.00	0.00	0.0%
Mortgage Loan-Cardone Trust	-0.17	-0.17	0.00	0.0%
Total Long Term Liabilities	-40,813.17	-40,813.17	0.00	0.0%
Total Liabilities	75,184.87	81,684.87	-6,500.00	-8.0%

Orleans Land Restoration Corporation
Balance Sheet Prev Year Comparison
 As of January 31, 2023

	Jan 31, 23	Jan 31, 22	\$ Change	% Change
Equity				
1110 - Retained Earnings	1,377,706.76	1,451,629.82	-73,923.06	-5.1%
1120 - Transfer to IDA	226,395.79	226,395.79	0.00	0.0%
Net Income	-56,835.53	-53,334.64	-3,500.89	-6.6%
Total Equity	<u>1,547,267.02</u>	<u>1,624,690.97</u>	<u>-77,423.95</u>	<u>-4.8%</u>
TOTAL LIABILITIES & EQUITY	<u>1,622,451.89</u>	<u>1,706,375.84</u>	<u>-83,923.95</u>	<u>-4.9%</u>

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02/01/23

Accrual Basis

Orleans Land Restoration Corporation

Profit & Loss Budget Performance

January 2023

	Jan 23	Budget	Jan 23	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
OLRC Interest Income	72.52		72.52		
MJZ Restaurant Group LLC	603.90		603.90		
OLRC Interest Income - Other					
Total OLRC Interest Income	<u>676.42</u>		<u>676.42</u>		
Total Income	676.42		676.42		
Expense					
4191 · Special District Taxes	99.95		99.95		
6270 · Professional Fees					
6650 · Accounting	25.00		25.00		
6655 · Consulting	4,388.40		4,388.40		
6270 · Professional Fees - Other	3,000.00		3,000.00		
Total 6270 · Professional Fees	<u>7,413.40</u>		<u>7,413.40</u>		
Total Expense	<u>7,513.35</u>		<u>7,513.35</u>		
Net Ordinary Income	-6,836.93		-6,836.93		
Other Income/Expense					
Other Income					
7010 · Interest Income	1.40		1.40		
Total Other Income	<u>1.40</u>		<u>1.40</u>		
Other Expense					
8012 · Transfer to related party	50,000.00		50,000.00		
Total Other Expense	<u>50,000.00</u>		<u>50,000.00</u>		
Net Other Income	-49,998.60		-49,998.60		
Net Income	<u><u>-56,835.53</u></u>		<u><u>-56,835.53</u></u>		

Orleans Land Restoration Corporation

Transaction Detail by Account

January 2023

2:15 PM
02/01/23
Accrual Basis

Type	Date	Name	Memo	Split	Amount	Balance
Jan 23						
Invoice	01/01/2023	ARG Services of WNY I...		-SPLIT-	2,674.66	2,674.66
Invoice	01/01/2023	ARG Services of WNY I...	Monthly Principle Payment	1200 · Accounts R...	-2,444.76	229.90
Invoice	01/01/2023	ARG Services of WNY I...	Interest due on this payment	1200 · Accounts R...	-229.90	0.00
Invoice	01/01/2023	Quorum-Takeform		-SPLIT-	2,176.57	2,176.57
Invoice	01/01/2023	Quorum-Takeform	Monthly Principle Payment	1200 · Accounts R...	-2,086.65	89.92
Invoice	01/01/2023	Quorum-Takeform	Interest due on this payment	1200 · Accounts R...	-89.92	0.00
Invoice	01/01/2023	Quorum-Takeform 2		-SPLIT-	5,258.33	5,258.33
Invoice	01/01/2023	Quorum-Takeform 2	Monthly Principle Payment	1200 · Accounts R...	-5,077.62	180.71
Invoice	01/01/2023	Quorum-Takeform 2	Interest due on this payment	1200 · Accounts R...	-180.71	0.00
Invoice	01/01/2023	LynOaken Farms Inc		-SPLIT-	1,752.08	1,752.08
Invoice	01/01/2023	LynOaken Farms Inc	Monthly Principle Payment	1200 · Accounts R...	-1,648.71	103.37
Invoice	01/01/2023	LynOaken Farms Inc	Interest due on this payment	1200 · Accounts R...	-103.37	0.00
Invoice	01/01/2023	MJZ Restaurant Group L...		-SPLIT-	1,125.59	1,125.59
Invoice	01/01/2023	MJZ Restaurant Group L...	Monthly Principle Payment	1200 · Accounts R...	-1,053.07	72.52
Invoice	01/01/2023	MJZ Restaurant Group L...	Interest due on this payment	1200 · Accounts R...	-72.52	0.00
Paym...	01/03/2023	Quorum-Takeform 2	OLRC Loan Pmt for January 2023	1200 · Accounts R...	5,258.33	5,258.33
Paym...	01/03/2023	Quorum-Takeform 2	OLRC Loan Pmt for January 2023	200.001 · OLRC C...	-5,258.33	0.00
Paym...	01/03/2023	Quorum-Takeform	OLRC Loan Pmt for January 2023	1200 · Accounts R...	2,176.57	2,176.57
Paym...	01/03/2023	Quorum-Takeform	OLRC Loan Pmt for January 2023	200.001 · OLRC C...	-2,176.57	0.00
Paym...	01/03/2023	ARG Services of WNY I...	OLRC Loan Pmt for January 2023	1200 · Accounts R...	2,674.66	2,674.66
Check	01/04/2023	Town of Murray Tax Coll...	OLRC Loan Pmt for January 2023	200.001 · OLRC C...	-2,674.66	0.00
Check	01/04/2023	OEDA	HBP Tax ID 87.8-2-48.1 Spec Fire Dis...	4191 · Special Dist...	-99.95	-99.95
Check	01/11/2023	Mindful Media Group	HBP Tax ID 87.8-2-48.1 Spec Fire Dist...	200.001 · OLRC C...	99.95	0.00
Check	01/11/2023	OEDA	Inv 1451 OLRC Collateral Deposit	6270 · Professiona...	-3,000.00	-3,000.00
Check	01/11/2023	Roush C.P.A. PC	Accounting Services for December 2022	200.001 · OLRC C...	3,000.00	0.00
Check	01/11/2023	OEDA	Accounting Services for December 2022	6650 · Accounting	-25.00	-25.00
Paym...	01/17/2023	LynOaken Farms Inc	OLRC Gain Pmt for January 2023	200.001 · OLRC C...	25.00	0.00
Paym...	01/17/2023	LynOaken Farms Inc	OLRC Gain Pmt for January 2023	1200 · Accounts R...	1,752.08	1,752.08
Check	01/17/2023	Orleans Economic Deve...	OLRC Gain Pmt for January 2023	200.004 · OLRC G...	-1,752.08	0.00
Check	01/17/2023	OEDA	To transfer funds from the OLRC acct ...	8012 · Transfer to ...	-50,000.00	-50,000.00
Paym...	01/23/2023	MJZ Restaurant Group L...	To transfer funds from the OLRC acct t...	200.001 · OLRC C...	50,000.00	0.00
Paym...	01/23/2023	MJZ Restaurant Group L...	OLRC Loan Pmt for February 2023	1200 · Accounts R...	1,125.59	1,125.59
Check	01/25/2023	Orleans Economic Deve...	OLRC Loan Pmt for February 2023	200.001 · OLRC C...	-1,125.59	0.00
Check	01/25/2023	OEDA	Activity Log Hrs for M Dobbell July to D...	6655 · Consulting	-4,388.40	-4,388.40
Check	01/30/2023	Dawn Keppler and Philli...	Activity Log Hrs for M Dobbell July to D...	200.001 · OLRC C...	4,388.40	0.00
Paym...	01/30/2023	Velocitij	Land Option Payment Dated as of Jan...	Kepler Site Loan ...	-6,500.00	-6,500.00
Paym...	01/30/2023	Velocitij	Land Option Payment Dated as of Jan...	200.001 · OLRC C...	6,500.00	0.00
Paym...	01/30/2023	LynOaken Farms Inc	OLRC Loan Pmt for February 2023	1200 · Accounts R...	8,898.53	8,898.53
Paym...	01/30/2023	LynOaken Farms Inc	OLRC Loan Pmt for February 2023	200.001 · OLRC C...	-8,898.53	0.00
Paym...	01/30/2023	Quorum-Takeform	OLRC GAIN Loan Pmt for February 2023	1200 · Accounts R...	1,752.08	1,752.08
Paym...	01/30/2023	Quorum-Takeform	OLRC GAIN Loan Pmt for February 2023	200.004 · OLRC G...	-1,752.08	0.00
Paym...	01/30/2023	Quorum-Takeform 2	OLRC Loan Pmt for February 2023	1200 · Accounts R...	2,176.57	2,176.57
Paym...	01/30/2023	Quorum-Takeform 2	OLRC Loan Pmt for February 2023	200.001 · OLRC C...	-2,176.57	0.00
Paym...	01/30/2023	Quorum-Takeform 2	OLRC Loan Pmt for February 2023	1200 · Accounts R...	5,258.33	5,258.33
Paym...	01/30/2023	Quorum-Takeform 2	OLRC Loan Pmt for February 2023	200.001 · OLRC C...	-5,258.33	0.00

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02/01/23

Accrual Basis

Orleans Land Restoration Corporation Transaction Detail by Account January 2023

Type	Date	Name	Memo	Split	Amount	Balance
Deposit	01/31/2023		Interest	7010 · Interest Inc...	1.40	1.40
Deposit	01/31/2023		Interest	200.004 · OLRG G...	-1.40	0.00
Jan 23					0.00	0.00



KeyBank
 P.O. Box 93885
 Cleveland, OH 44101-5885

Business Banking Statement
January 31, 2023
 page 1 of 3

329681253194

13 T 908 00000 R EM AO
 ORLEANS LAND RESTORATION CORP
GAIN - ACCOUNT
 121 N. MAIN STREET - FLOOR 2
 ALBION NY 14411-1237

Questions or comments?
 Call our Key Business Resource Center
 1-888-KEY4BIZ (1-888-539-4249)

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KeyBank Business Interest Checking 329681253194
 ORLEANS LAND RESTORATION CORP
 GAIN - ACCOUNT

Beginning balance 12-31-22	\$163,573.38
1 Addition	+1,752.08
Interest paid	+1.40
Ending balance 1-31-23	\$165,326.86

Additions

Deposits	Date	Serial #	Source	
	1-17		Deposit Branch 0290 New York	\$1,752.08
Total additions				\$1,752.08

Interest earned

Annual percentage yield (APY) earned	0.01%
Number of days this statement period	31
Interest paid 1-31-23	\$1.40
Interest earned this statement period	\$1.39
Interest paid year-to-date	\$1.40
Interest earned (2022)	\$15.10

Interest earned on 2/1/23
[Signature]



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 Cleveland, OH 44101-5885

Public Sector Statement
January 31, 2023
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329681401777

X 809 0000 R EM T1
 COUNTY OF ORLEANS INDUSTRIAL DEVELOPMENT
 OEDA COUNTY FUNDS ACCOUNT
 121 N MAIN ST FL 2
 ALBION NY 14411-1237

Questions or comments?
 Call our Key Business Resource Center
 1-888-KEY4BIZ (1-888-539-4249)

Public Transaction Basic 329681401777
 COUNTY OF ORLEANS INDUSTRIAL DEVELOPMENT
 OEDA COUNTY FUNDS ACCOUNT

Beginning balance 12-31-22	\$465,999.99
Ending balance 1-31-23	\$465,999.99

Reviewed 2/1/23
[Signature]



6390 Main Street, Suite 200
Williamsville, NY 14221

P 716.634.0700
TF 800.546.7556
F 716.634.0764
W EFPRgroup.com

December 7, 2022

Mr. Michael Dobell
CEO/CFO
County of Orleans Industrial
Development Agency
121 North Main Street, 2nd Floor
Albion, New York 14411

Dear Michael:

Attached are our engagement letters to provide audit and related services to County of Orleans Industrial Development Agency and Affiliates and The Orleans County Local Development Corporation for the year ending December 31, 2022. If the terms of these letters are satisfactory to you, please sign the letters and return them to me at your convenience.

58

Please call me if you have any questions.

Very truly yours,

EFPR GROUP, CPAs, PLLC

A handwritten signature in blue ink, appearing to read 'Doug'.

Douglas E. Zimmerman, CPA
Partner

DEZ:kms

Enclosure

December 7, 2022

Mr. Michael Dobell
CEO/CFO
The Board of Directors
County of Orleans Industrial
Development Agency
121 North Main Street, 2nd Floor
Albion, New York 14411

Dear Mr. Dobell:

We are pleased to confirm our understanding of the services we are to provide the County of Orleans Industrial Development Agency and Affiliates (the Agency) for the year ending December 31, 2022.

Audit Scope and Objectives

We will audit the financial statements, and the disclosures, which collectively comprise the basic financial statements of the Agency as of and for the year ending December 31, 2022. Accounting principals generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Agency's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Agency's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Schedule of the Proportionate Share of the Net Pension Liability
- 3) Schedule of Employer Pension Contributions

Mr. Michael Dobell
December 7, 2022
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The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditors' report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

The objectives also include reporting on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

Auditors' Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records of the Agency and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Agency or to acts by management or employees acting on behalf of the Agency. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Mr. Michael Dobell

December 7, 2022

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Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. 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.

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

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

We have identified the following significant risks of material misstatement as part of our audit planning:

- Management override of controls
- Improper revenue recognition

Note that planning has not concluded and modifications may be made.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. 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 providers.

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

Audit Procedures—Internal Control

We will obtain an understanding of the Agency and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Agency's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. 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 our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

We will also assist in preparing the financial statements and related notes of the Agency in conformity with accounting principles generally accepted in the United States of America based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

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You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the Agency from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

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

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

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with accounting principles generally accepted in the United States of America (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the Agency; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

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The audit documentation for this engagement is the property of EFPR Group, CPAs, PLLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a cognizant or oversight agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for the purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of EFPR Group, CPAs, PLLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the cognizant or oversight agency. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Douglas E. Zimmerman is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. David S. Gabel is the engagement director and is responsible for supervising the fieldwork. We expect to begin our audit on approximately January 23, 2023 and to issue our reports no later than March 15, 2023.

Our fee for these services will be \$23,000.

You agree that any dispute (other than our efforts to collect an outstanding invoice) that may arise regarding the meaning, performance or enforcement of this engagement or any prior engagement that we have performed for you, will, prior to resorting to litigation, be submitted to mediation, and that the parties will engage in the mediation process in good faith once a written request to mediate has been given by any party to the engagement. Any mediation initiated as a result of this engagement shall be administered within the County of Erie and State of New York by NAM (National Arbitration and Mediation Inc.), according to its mediation rules, and any ensuing litigation shall be conducted within said county, according to New York State law. The results of any such mediation shall be binding only upon agreement of each party to be bound. The costs of any mediation proceeding shall be shared equally by the participating parties.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our peer review report accompanies this letter.

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Reporting

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

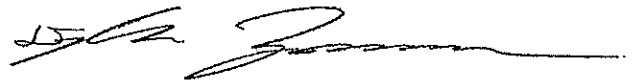
We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will state (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. The report will also state that the report is not suitable for any other purpose. If during our audit we become aware that the Agency is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

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We appreciate the opportunity to be of service to the Agency and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,

EFPR GROUP, CPAs, PLLC



Douglas E. Zimmerman, CPA
Partner

RESPONSE:

This letter correctly sets forth the understanding of County of Orleans Industrial Development Agency

By: _____

Title: _____

Date: _____



Lisa M. Altschaffl, CPA
Jeffrey P. Anzovino, CPA, MSA
Cole E. Beehner, CPA
Charles A. Deluzio, CPA

Joseph E. Petrillo, CPA
Stacey A. Sanders, CPA, CSBP
Daniel W. Wilkins, CPA

Report on the Firm's System of Quality Control

June 8, 2020

To the Partners of EFPR Group LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of EFPR Group LLP (the firm) in effect for the year ended November 30, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act and audits of employee benefit plans. As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of EFPR Group LLP, in effect for the year ended November 30, 2019, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*; *pass with deficiency(ies)* or *fail*. EFPR Group LLP has received a peer review rating of *pass*.

Deluzio & Company LLP

Deluzio & Company LLP



CPAAI
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