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Drescher & Malecki
Certified Public Accountants

March 25, 2025

To the Board of Directors of the Buffalo
Erie Niagara Land Improvement Corporation:

In planning and performing our audit of the financial statements of Buffalo Erie Niagara Land Improvement Corporation and its Subsidiary (collectively referred to as the "Corporation"), as of and for the year ended December 31, 2024, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, we considered the Corporation's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible*. The chance of the future event or events occurring is more than remote but less than likely.
- *Probable*. The future event or events are likely to occur.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

During our audit we identified other operational matters that are presented for your consideration. This letter does not affect our report dated March 25, 2025 on the financial statements of the Corporation. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. Our comments are summarized in Exhibit I.

The purpose of this communication is solely to describe the scope of our testing of internal control over financial reporting and the results of that testing. This communication is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting. Accordingly, this communication is not suitable for any other purpose.

Drescher & Malecki LLP

March 25, 2025

American Rescue Plan Act ("ARPA") Spending

As of December 31, 2024, the Corporation received ARPA funds of $4,500,000 and $625,000 from Erie County and the City of Buffalo, respectively, and has recognized a total of $997,350 in associated revenues. The total ARPA awards approved from Erie County and the City of Buffalo are $13,500,000 and $11,162,584, respectively. Recognizing that the remaining funds must be spent by the Federal imposed deadline of December 31, 2026, and considering current supply chain constraints and staffing issues throughout New York State, we recommend that the Corporation stay diligent for its planned use of Coronavirus State and Local Fiscal Recovery Funds to ensure all funds are spent within the required timeframe.