

---

*Certified Public Accountants*

March 24, 2016

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

In planning and performing our audits of the financial statements of the Buffalo Erie Niagara Land Improvement Corporation (the "Corporation") as of and for the years ended December 31, 2015 and 2014, in accordance with auditing standards generally accepted in the United States of America, we consider 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 the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses and, therefore, material weaknesses may exist that have not been identified. However, as discussed below, we identified a deficiency in internal control that we consider to be a material weakness.

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, 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. We consider the deficiency identified during our audit reported in a separate communication as item 2015-001 to be a material weakness.

Additionally, we identified certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated March 24, 2016 on the financial statements of the Corporation. Our comments and recommendations, all of which have been discussed with the 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, which is an integral part of our audit, is to describe for management and those charged with governance the scope of our testing of internal control and the results of that testing. Accordingly, this communication is not intended to be and should not be used for any other purpose.

A handwritten signature in black ink that reads 'Drescher & Malecki LLP'.

May 24, 2016

***Accounting Policies and Procedures***

The Corporation does not have a complete accounting policies and procedures manual in place.

The Corporation has initiated documenting accounting policies and procedures; however not all relevant policies and procedures are included. We recommend that the Corporation continue populating their accounting policies and procedures manual to inform all employees of operating procedures and policies. The manual should include an organization chart, job descriptions, description of accounting procedures and principles to be followed, a chart of accounts, examples of principle transactions, and any other documentation for which uniformity use is desired.

***Donated Property***

Management's estimate of the fair market value for donated property is based on assessed value.

We recommend that the Corporation evaluate its current policy for recording donated property by comparing assessed values to recent sales and consider obtaining an appraisal once a property is donated.