

## MANAGEMENT LETTER

March 3, 2015

The Finance & Audit Committee, Board of Directors and Management  
Erie County Industrial Development Agency  
Buffalo and Erie County Regional Development Corporation  
Buffalo and Erie County Industrial Land Development Corporation

In planning and performing our audits of the financial statements of Erie County Industrial Development Agency, Buffalo and Erie County Regional Development Corporation, and Buffalo and Erie County Industrial Land Development Corporation (collectively, the Organizations), business-type activities, as of and for the year ended December 31, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered the Organizations' 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 opinions on the separate financial statements and for the purpose of expressing an opinion on the effectiveness of the Organizations' 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, 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.

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.

### INFORMATIONAL POINT

In February 2015, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 72, *Fair Value Measurement and Application*. This statement defines fair value and describes how fair value should be measured, what assets and liabilities should be measured at fair value, and what information about fair value should be disclosed in the notes to the financial statements. GASB expects this statement to enhance comparability of financial statements among governments by using a consistent and more detailed definition of fair value and accepted valuation techniques. The requirements of this statement are effective for the Organizations' year ended December 31, 2016, with earlier application encouraged.

This communication is intended solely for the information and use of management, the Finance & Audit Committee, Board of Directors, and others within the Organizations. It is not intended to be, and should not be, used by anyone other than these specified parties.

*Lumsden & McCormick, LLP*