

March 31, 2026

To the Members of the Board of Directors  
Buffalo Urban Development Corporation  
95 Perry Street, Suite 403  
Buffalo, NY 14203

Members of the Board:

We are writing this letter in connection with our audit of the financial statements of Buffalo Urban Development Corporation (the "BUDC") and audit of the Buffalo Brownfields Redevelopment Fund's schedule of revenues, expenses and changes in net position as of and for the year ended December 31, 2025, as communicated to you in our engagement letter dated February 17, 2026.

We are required by our professional standards to have certain communications with you to promote effective two-way communication between the independent auditor and those charged with governance of the BUDC. In this letter, we will provide you with timely observations arising from our audit of the financial statements of the BUDC that are significant and relevant to your responsibility to oversee the financial reporting process.

## Responsibilities

Our respective responsibilities and those of management in relation to the audit of the financial statements are set out in our engagement letter dated February 17, 2026.

Our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management, with your oversight, are prepared, in all material respects, in accordance with accounting principles generally accepted in the United States ("GAAP"). We are responsible for performing the audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and *Government Auditing Standards*. The matters that GAAS and *Government Auditing Standards* requires to be communicated, therefore, include significant matters arising during the audit of the financial statements that are relevant to you in overseeing the financial reporting process. We are not required to design procedures for the purpose of identifying other matters to communicate to you.

Our respective responsibilities and those of management in relation to the audit of the financial statements are set out in our engagement letter dated February 17, 2026.

Our responsibilities, as described by professional standards, are:

- To form and express an opinion about whether the financial statements that have been prepared by management, with your oversight, are prepared, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- To form and express an opinion about the BUDC's internal control over financial reporting and compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of the financial statements amounts in accordance with *Government Auditing Standards*.

We are responsible for performing the audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and *Government Auditing Standards*. The matters that GAAS and *Government Auditing Standards* require to be communicated, therefore, include significant matters arising during the audit of the financial statements that are relevant to you in overseeing the financial reporting process. We are not required to design procedures for the purpose of identifying other matters to communicate to you.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

There were no changes in our previously communicated planned scope and timing.

### **Independence**

We are not aware of any circumstances or relationships that would impair our independence and have complied with all relevant ethical requirements.

### **Accounting Policies and Practices**

We did not identify any significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

We did not identify any alternative accounting policies that would have been more appropriate in the circumstances.

We did not identify any significant accounting policies in controversial or emerging areas.

#### *Significant Accounting Estimates*

Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. We identified the following significant estimates in the financial statements:

- Depreciation of Property, Plant & Equipment and Land Adjustments to Net Realizable Value: Useful lives were assigned based on BUDC's useful life policy. Management was consistent in calculating depreciation based on the useful lives assigned to each asset. Land adjustments to net realizable value are calculated by management utilizing actual capitalizable expenses and information from annual Property Report regarding the fair value of the properties. The methods and lives used to estimate depreciation expense appears reasonable. Methods used to estimate adjustments to net realizable value of land appear reasonable.

#### *Significant Financial Statement Disclosures*

We did not identify any particularly significant or sensitive financial statement disclosures in the financial statements.

#### *Significant Unusual Transactions*

There were no significant unusual transactions encountered during our audit.

#### *Significant Difficulties Encountered*

There were no significant difficulties encountered during our audit.

### **Disagreements with Management**

There were no disagreements with management.

### **Written Representations**

We have requested a number of written representations from management in respect to management's responsibility for the preparation of the financial statements in accordance with . A copy of those representations is attached to this letter.

## Internal Control over Financial Reporting

In planning and performing our audit, we considered the Company's internal control over financial reporting ("internal control") as a basis for designing appropriate audit procedures in order to express an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company'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 or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified.

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 Company's financial statements will not be prevented, or detected and corrected, on a timely basis.

No material weaknesses were identified in planning and performing our audit. However, material weaknesses may exist that have not been identified.

## Restriction of Use

This letter is intended solely for the information and use of those charged with governance of Buffalo Urban Development Corporation and, if appropriate, management and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



**WithumSmith+Brown, PC**