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## MANAGEMENT LETTER

April \_\_, 2026

The Board of Directors and Management  
Buffalo Niagara Convention Center Management Corporation

In planning and performing our audit of the financial statements of Buffalo Niagara Convention Center Management Corporation (the Center) as of and for the year ended December 31, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the Center'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 Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center'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. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to errors or fraud may occur and not be detected by such controls.

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. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable 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.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control below to be a significant deficiency.

### Separation of Duties

Separation of duties, defined as the involvement of more than one person in processing related transactions, is an important element of internal control. Often in an organization with a small accounting office, the review and approval process is used to provide oversight when one person is responsible for or has access to many aspects of related transactions. During our audit, we noted lack of documented review and approval on bank statements, bank reconciliations and payroll reports.

We recommend the Center review current job duties and responsibilities, reassigning as appropriate, to optimize separation of duties.

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## OTHER COMMENTS AND RECOMMENDATIONS

### **Local Authority**

On January 23, 2013, the Center received notification from the State of New York Authorities Budget Office (ABO) that the organization meets the definition of a local authority pursuant to the Public Authorities Law. Accordingly, the Center is required to comply with regulations established by the Public Authorities Accountability Act (PAAA).

Although the Center has complied with certain aspects of PAAA, it has been notified by the ABO that it is not in full compliance. Management has advised us that resolution of this matter is pending certain actions to be taken by the Center's Members, the County of Erie and the City of Buffalo. Since the ABO has the authority to take enforcement action, we continue to recommend the Center's Members take the necessary actions to be in full compliance with PAAA.

## PRIOR YEAR COMMENTS

### **Financial Reporting (Prior Year Material Weakness)**

We previously recommended the Center implement procedures to improve financial reporting on a regular basis. We are pleased to report significant improvements were made during 2025 with regard to financial reporting.

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This report is intended solely for the information and use of the Board of Directors and management of the Center. It is not intended to be, and should not be, used by anyone other than these specified parties.