



BUSINESS  
ADVISORS  
AND CPAS

February 25, 2025

To the Board of Directors  
City of Hornell Industrial  
Development Agency, New York

In planning and performing our audit of the financial statements of the City of Hornell Industrial Development Agency, New York as of and for the year ended December 31, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing our auditing procedures 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 Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, as discussed below, 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 February 25, 2025 on the financial statements of the Agency. 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 as follows:

**Prior Year Deficiency Pending Corrective Action:**

**Bank Reconciliation Procedure –**

As part of our examination over the bank reconciliation procedure, we noted that an independent review is completed by the Executive Director, however, the review is not documented with a signature and date.

In order to strengthen internal control over the bank reconciliation process, we recommend the Executive Director sign and date each monthly bank reconciliation.

**Current Year Deficiency in Internal Control:**

**Leases –**

During the course of our examination, we noted one instance where the September lease payment totaling \$5,000 from one vendor was not received and a second vendor lease receivable outstanding at year end totaled \$85,209. We also noted that several companies did not have written lease agreements.

We recommend that the Agency have written lease agreements with every company that they are receiving rental income from. In addition, we recommend that the Agency make every effort to receive all lease payments from the companies in a timely manner and second requests should be sent when payments are not received timely.

**Prior Year Recommendation:**

The prior year recommendation has been noted above.

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This communication is intended solely for the information and use of management, the Board, others within the organization and is not intended to be, and should not be, used by anyone other than these specified parties.

We wish to express our appreciation to all staff for the courtesies extended to us during the course of our examination.

*Mengel, Metzger, Baw & Co. LLP*

Rochester, New York  
February 25, 2025