

March 3, 2026

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 (the Agency) 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 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 March 3, 2026 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:**

**Leases –**

During the course of our examination, we noted two lease receivables outstanding at year end; one totaled \$92,955, and the second totaled \$119,293.

We recommend that the Agency make every effort to receive all lease payments from the companies in a timely manner, in addition, second requests should be sent when payments are not received timely.

**Current Year Deficiency in Internal Control:**

**Disbursements –**

During our examination over cash disbursements, we noted one transaction over the bidding threshold in which the bidding documentation was not available for our review.

We recommend the Agency make every effort to obtain the necessary bidding documentation.

**Prior Year Recommendation:**

We are pleased to report the following prior year recommendation has been implemented to our satisfaction:

1. Bank reconciliations are prepared by an individual independent of collection and depositing.
2. Lease agreements are in place for all companies that the Agency receives lease income from.

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We believe that the implementation of these recommendations will provide the Agency with a stronger system of internal control while also making its operations more efficient. We will be happy to discuss the details of these recommendations with you at your convenience.

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*

Fairport, New York  
March 3, 2026