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March 16, 2009

To the Board of Directors of the
Orange County Industrial Development Agency
Goshen, New York

In planning and performing our audit of the financial statements of Orange County Industrial Development Agency as of and for the year ended December 31, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered Orange County Industrial Development Agency 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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency numbered 2008-01, described below to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. However, we do not believe the significant deficiency described above is a material weakness.

2008-01 Preparing Financial Statements and Disclosures

Condition: The auditor is currently making adjustments to properly record certain transactions, and preparing the financial statements for external reporting purposes.

Criteria: The auditor cannot function as part of the Organization's internal control system over financial reporting. The auditor's preparation of the financial statements and disclosures would not be reported as a significant deficiency if the Organization had internal controls in place to prevent, detect, and correct a potential misstatement in the financial statements or notes.

Cause: Newly revised audit standards state that if the Organization does not implement procedures to prevent, detect, or correct a potential misstatement in the financial statements or notes, this deficiency constitutes a significant deficiency in internal control. The Organization relies on the external auditor to prepare the financial statements and related disclosures, and to assist with properly recording certain transactions.

Effect: The financial statements could have been significantly misstated without audit adjustment.

Recommendation: Although the independent auditor cannot be a part of the Organization's internal control, relying on the auditor to assist with preparation of the Organization's financial statements and help guide management through complex accounting standards is acceptable under current prescribed standards.

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

Very truly yours,


NUGENT & HAEUSSLER, P.C.