JGS Judelson, Giordano & Siegel, CPA, PC

Jack Judelson, CPA (1907-1987)

Frank P. Giordano, Jr., CPA
William B. Siegel, CPA
Bonnie J. Orr, CPA
Gary J. Cassiello, CPA, ABV, CFF
Frank P. Giordano, III, CPA
Jason T. Giordano, CPA, MST

Robert Unger, CPA, CFE
Domenick T. Del Rosso, CPA, MST
Robert Tannini, CPA, MBA, MST
Corinne Cody, CPA
Andrei C. Adams, CPA, MSA
Ralph J. Martucci, CPA

INTERNAL CONTROL LETTER

February 24, 2014

To the Members of
Orange County Funding Corporation
Goshen, New York

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Orange County Funding Corporation as of December 31, 2013 and 2012 and for the years ended which collectively comprise the Corporation's basic financial statements and have issued our report thereon dated February 24, 2014, was unqualified. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Corporation is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control over financial reporting.

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 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. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

633 Route 211 East • Middletown, New York 10941
Tel: 845-692-9500 • Toll Free: 877-740-9500 • Fax: 845-692-7522 • E-Mail: info@jgspc.com • Website: www.jgspc.com

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report 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,

Judelson, Giordano & Siegel, P.C.

February 24, 2014