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MANAGEMENT COMMENT LETTER

March 6, 2019

To the Members of
Orange County Industrial Development Agency
New Windsor, New York

In planning and performing our audit of 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 Industrial Development Agency as of December 31, 2018 and 2017 and for the years ended, we considered the Orange County Industrial Development Agency'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Orange County Industrial Development Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Orange County Industrial Development Agency's internal control.

Our consideration of internal control over financial reporting 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 may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be a material weakness.

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 *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. 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. As a result of our audit procedures performed in the current year, we were not aware of any material weaknesses or significant deficiencies. However, we would like to provide an update on a prior year material weakness.

PRIOR YEAR FINDING - 2017

During the prior year's audit, we noted that there were no year-end adjustments for receivables and payables outstanding at December 31, 2017, along with other adjustments for prepaid expenses, depreciation and accruals. We communicated the nature of the adjusting journal entries and our observation as to why they were not completed. We do not see this as a significant deficiency or material weakness, but, believe it deserved the attention of Management and Governance. We would like to inform you that this prior year finding was corrected for the current year's audit.

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

Very truly yours,

Gudelson, Gindaro & Siegel, CPA, PC

March 6, 2019