

March 24, 2014

Ms. Theresa G. Waivada, Executive Director
City of Newburgh, New York
Industrial Development Agency
83 Broadway
Newburgh, New York 12550

Dear Ms. Waivada:

This letter includes a comment and suggestion with respect to a matter that came to our attention in connection with our audit of the financial statements of the City of Newburgh, New York Industrial Development Agency (Agency) for the year ended December 31, 2013. This item is offered as a constructive suggestion to be considered part of the ongoing process of modifying and improving the Agency's practices and procedures.

Accounting Policies and Procedures

Monitoring of Sublease Payments

Observation: In connection with our 2012 audit, we noted that there are no formal procedures in place for tracking sublease payments.

Suggestion: During 2013, the Agency has made significant progress with respect to monitoring cellular sublease payments and investigating existing leasing arrangements. Given the significance of this revenue to the Agency, we recommend that the Agency continue in its efforts to monitor and track these arrangements.

This letter is solely for the information and use of the City of Newburgh, New York Industrial Development Agency, management, and others within the Agency and is not intended to be and should not be used by anyone other than the specified parties. We appreciate serving City of Newburgh, New York Industrial Development Agency and would be happy to assist you in addressing and implementing the comment and suggestion in this letter.

Very truly yours,

SAXBST LLP





Paul L. Goetz, Partner

PLG/dmc

cc: Mr. Michael Curry, Audit Committee Chair