



WOJESKI
& COMPANY CPAs, P.C.

75 Troy Road
East Greenbush, New York 12061
518-477-1102 • 518-477-1302 (Fax)
www.wojeskico.com

MEMBER: AICPA, NYSSCPA

April 18, 2011

To the Board of Trustees
Agriculture and New York State Horse Breeding Development Fund
Albany, NY 12238

Members of the Board of Trustees:

In planning and performing our audit of the financial statements of Agriculture and New York State Horse Breeding Development Fund as of and for the year ended December 31, 2010, we considered the Fund's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control.

However, during our audit we became aware of certain matters that are opportunities for strengthening internal control and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated April 18, 2011, on the financial statements of Agriculture and New York State Horse Breeding Development Fund.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with Fund personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Very truly yours,

Wojeski + Co. CPAs, P.C.

**AGRICULTURE AND NEW YORK STATE
HORSE BREEDING DEVELOPMENT FUND**

Comments and Recommendations

Compliance with the Public Authorities Accountability Act of 2005

During our audit we noted that the Fund was out of compliance with the following requirements of the Public Authorities Accountability Act of 2005 (the Act):

One of the requirements of the Act is that the Fund establish an audit committee. During our audit we noted that while the Fund did establish an audit committee, there have been no official meetings. We also noted that the two members of the audit committee left the board during 2008 and there have been no appointments to replace them. We recommend that the Fund appoint new members to the audit committee and establish a regular schedule of official meetings of the audit committee.

Another requirement of the Act is for every board member to attend a NYS required training program. During our audit we noted that one (1) of the board members has not yet attended the required training. We recommend that the Fund make arrangements for the remaining board member to attend the required training and establish a policy/procedure to ensure that new board members receive the required training in a timely manner.

Another requirement of the Act is for the Fund to approve and submit their budget prior to the beginning of the next fiscal year. During our audit we noted that the Fund did not approve its 2011 fiscal year budget prior to December 31, 2010. We also noted that the 2011 budget was still not approved as of the beginning of March 2011. We recommend that the Fund establish procedures to ensure that the annual budget is prepared, made available for public inspection, and approved by the Board in accordance with the requirements of New York State law.