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Hudson Valley Agri-business Development Corporation  
507 Warren St.- 2nd Floor  
Hudson, NY 12534

To the Board of Directors and Todd Erling  
of Hudson Valley Agri-business Development Corporation:

In planning and performing our audit of the financial statements of Hudson Valley Agri-business Development Corporation as of and for the year ended December 31, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered Hudson Valley Agri-business Development Corporation'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of Hudson Valley Agri-business Development Corporation's internal control.

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 a 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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this communication is solely to describe the scope of our testing of internal control over financial reporting and the results of that testing. This communication is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hudson Valley Agri-business Development Corporation's internal control over financial reporting. Accordingly, this communication is not suitable for any other purpose.

*Pattison, Koskey, Howe & Bucci, CPAs, P.C.*

Valatie, New York  
March 29, 2016

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ATTACHMENT:

OBSERVATION AND RECOMMENDATION

**Accounts Payable Cut-off:**

**Observation:**

Despite bookkeeping efforts to ensure that all expenses were recorded in the correct period, during the audit we identified \$7,673 in expenses that were not properly accrued for as of December 31, 2015.

**Recommendation:**

We recommend management implement a second level of review around year-end to ensure that all expenses are properly identified and accrued for. A second level of review could reduce the risk that expenses are not recorded in the proper period.