

March 20, 2014

Board of Directors
Albany County Business Development Corporation
Five Computer Drive South
Albany, New York 12205

In planning and performing our audit of the financial statements of Albany County Business Development Corporation as of and for the year ended December 31, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing our auditing procedures 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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the 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 significant deficiencies or material weaknesses and therefore, there can be no assurance that all such deficiencies have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

This communication is intended solely for the information and use of management, the Audit Committee, the Board of Directors, and others within the Organization, and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate the opportunity to present these comments and recommendations for your consideration. We take this opportunity to thank the management and staff for their utmost cooperation during our conduct of the audit.

Very truly yours,

T. M. Byxbee Company, CPAs, NY, P.C.



Glenn R. Winter, CPA

ALBANY COUNTY BUSINESS DEVELOPMENT CORPORATION
YEAR ENDED DECEMBER 31, 2013
T.M. BYXBEE COMPANY CPAs, NY, P.C.
INDEPENDENT AUDITORS OBSERVATION

PRIOR YEAR OBSERVATION

Condition – Capital Utilization Percentage

During our current and prior year tests of compliance with certain requirements of the United States Department of Commerce Economic Development Administration, we determined the Corporation was below the required capital utilization percentage of 85%.

Our recommendation to Management in the prior year to regularly review the RLF capital utilization and ensure they meet the required percentage to be in compliance with 13 C.F.R. §307.16(c)(2)(ii) was responded to as follows:

Management' Response:

The ACBDC Board regularly monitors the utilization rate and is aware that the rate is below 85%.

In 2012 the Fund's interest rate was reduced; in 2013 the lending limit was increased. These changes have led to an increase in applications in 2013. In 2011 and 2012, the Al Tech Trust Fund averaged 13.5 loan presentations with 11 approvals. In 2013, the Board reviewed 17 loan presentations and approved 16 of the requests for \$4,743,500, including the approval of the first \$1 million request.

The Board feels this momentum will continue into 2014 with a goal of meeting the utilization rate of 85%.