

March 19, 2015

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, 2014, 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,



Glenn R. Winter, CPA

**ALBANY COUNTY BUSINESS DEVELOPMENT CORPORATION  
YEAR ENDED DECEMBER 31, 2014  
T.M. BYXBEE COMPANY CPAs, NY, P.C.  
INDEPENDENT AUDITORS OBSERVATION**

**Condition – Capital Utilization Percentage**

During our prior year test 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%.

During our current year test 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% through September 10, 2014, at which time the required capital utilization percentage was temporarily lowered to 80%. The Corporation was in compliance for the remainder of the year.

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 constantly strives to increase utilization. They are aware of the rate through quarterly reporting. The utilization has been moving up over the last two years and with the adjustment in the rate to 80%, by September 30, 2014, the rate was in compliance and remained so as of year-end 2014. Vigilance and efforts will continue in 2015.