TOWN OF UNION
LOCAL DEVELOPMENT CORPORATION

FINANCIAL STATEMENTS

DECEMBER 31, 2014

TOWN OF UNION LOCAL DEVELOPMENT CORPORATION

FINANCIAL STATEMENTS

DECEMBER 31, 2014

CONTENTS

Independent Auditors' Report	1 - 2
Statements of Financial Position at December 31, 2014 and 2013	3
Statement of Activities and Change in Net Assets for the Year Ended December 31, 2014 With Comparative Totals for 2013	4
Statements of Cash Flows for the Years Ended December 31, 2014 and 2013	5
Notes to Financial Statements	6 - 9
SCHEDULE 1 - Schedule of Loans Receivable for the Year Ended December 31, 2014	10
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with ***Government Auditing Standards***	11 - 12
Independent Auditors' Report on Internal Control	13 - 14

Officers:
James J. Lewis, CPA*, ABV, CVA+
Alan D. Piaker, CPA
Ronald L. Simons, CPA
Roy E. Fuller, CPA
John R. May, CPA*
Angelo J. Gallo, CPA
Richard A. Lynch, CPA
Amy E. Brown, CPA**
Janeen F. Sutryk, CPA*

Members of:
American Institute of Certified Public Accountants
New York State Society of Certified Public Accountants

Piaker & Lyons
CERTIFIED PUBLIC ACCOUNTANTS
Established in 1955

(607) 729-9373
Fax: (607) 729-6893
Website: pnlcpa.com

Philip M. Piaker, CPA
(1921-2003)
Abraham L. Piaker, CPA
(1925-2005)

Of Counsel:
Allan R. Lyons, CPA
Kenneth L. Coleman, CPA

*Also Licensed in Pennsylvania
**Also Licensed in Maryland

Also Member of:
+National Association of Certified Valuation Analysts
*Pennsylvania Institute of Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Town of Union Local Development Corporation
Endwell, New York

Report on the Financial Statements

We have audited the accompanying financial statements of **TOWN OF UNION LOCAL DEVELOPMENT CORPORATION** (a nonprofit organization), a component unit of the Town of Union, which comprise of the statement of financial position as of December 31, 2014, and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Town of Union Local Development Corporation as of December 31, 2014, and the related statements of activities and changes in net assets, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of loans receivable on page 10 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with ***Government Auditing Standards***, we have also issued a report dated March 20, 2015 on our consideration of Town of Union Local Development Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** and should be considered in assessing the results of our audit.

Piaker & Lyons, P.C.

PIAKER & LYONS, P.C.

Binghamton, New York
March 20, 2015

TOWN OF UNION LOCAL DEVELOPMENT CORPORATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2014 AND 2013

	Unrestricted	Temporarily Restricted	2014	2013
Current Assets				
Cash and Cash Equivalents	$ 980	$ 1,495,126	$ 1,496,106	$ 1,434,167
Loans Receivable - Current Portion (Net of Reserve for Doubtful Loans of $-0- and $57,461 in 2014 and 2013, Respectively)	-	182,920	182,920	217,943
Accounts Receivable	-	16,114	16,114	15,129
Prepaid Expense	-	3,681	3,681	3,593
Total Current Assets	980	1,697,841	1,698,821	1,670,832
Other Assets				
Loans Receivable - Non-Current Portion	-	776,007	776,007	727,878
Accrued Interest Receivable	-	-	-	23,700
Total Other Assets	-	776,007	776,007	751,578
TOTAL ASSETS	$ 980	$ 2,473,848	$ 2,474,828	$ 2,422,410
Current Liabilities:				
Accounts Payable	$ -	$ 2,346	$ 2,346	1,927
Accrued Liabilities	-	13,806	13,806	13,242
Compensated Absences - Current Portion	-	4,256	4,256	5,196
Total Current Liabilities	-	20,408	20,408	20,365
Long - Term Liabilities:				
Compensated Absences, Net of Current Portion	-	22,056	22,056	18,807
Total Liabilities	-	42,464	42,464	39,172
Net Assets				
Unrestricted	980	-	980	1,293
Temporarily Restricted	-	2,431,384	2,431,384	2,381,945
Total Net Assets	980	2,431,384	2,432,364	2,383,238
TOTAL LIABILITIES AND NET ASSETS	$ 980	$ 2,473,848	$ 2,474,828	$ 2,422,410

See the accompanying notes to financial statements.

TOWN OF UNION LOCAL DEVELOPMENT CORPORATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2014
WITH COMPARATIVE TOTALS FOR 2013

	Unrestricted	Temporarily Restricted	2014	2013
Support and Revenue				
Federal Aid - CDBG	$ -	$ 103,008	$ 103,008	$ 104,680
Recoveries of Reserved Loans	-	20,093	20,093	-
Contributed Revenue - Town of Union	-	3,290	3,290	2,924
Total Support and Revenue	-	126,391	126,391	107,604
Interest Income				
CDBG Loan Interest	-	29,099	29,099	29,670
UDAG Loan Interest	-	1,377	1,377	4,091
Other Interest Income	-	905	905	1,480
Miscellaneous Income	-	1,071	1,071	520
Total Interest Income	-	32,452	32,452	35,761
Net Assets Released From Restrictions	109,924	(109,924)	-	-
Total Support and Other Revenue	109,924	48,919	158,843	143,365
Expenditures				
Salaries	74,015	-	74,015	72,040
Administration Fees	5,825	-	5,825	4,075
Employee Benefits	20,758	-	20,758	20,393
Occupancy	3,290	-	3,290	2,924
Audit	3,600	-	3,600	3,500
Marketing Expense	1,557	-	1,557	2,855
Legal Fees	672	-	672	2,801
Total Expenditures	109,717	-	109,717	108,588
Change in Net Assets	207	48,919	49,126	34,777
Net Assets - Beginning	773	2,382,465	2,383,238	2,348,461
Net Assets - Ending	$ 980	$ 2,431,384	$ 2,432,364	$ 2,383,238

See the accompanying notes to financial statements.

TOWN OF UNION LOCAL DEVELOPMENT CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
Cash Flows from Operating Activities:		
Change in Net Assets	$ 49,126	$ 34,777
Adjustment to Reconcile Change in Net Assets to Net Cash Provided By Operating Activities:		
Decrease in Allowance for Loan Losses	(57,461)	-
Changes in Operating Assets and Liabilities:		
Loans Receivable	57,460	-
Accounts Receivable	(985)	(207)
Accounts Payable	419	369
Prepaid Expense	(88)	(328)
Accrued Interest Receivable	23,700	-
Compensated Absences	2,309	1,080
Accrued Liabilities	564	(169)
Total Adjustments	25,918	745
Net Cash Provided By Operating Activities	75,044	35,522
Cash Flows From Investing Activities:		
Principal Repayments on Loans Receivable	242,789	283,576
Loans Issued	(255,894)	(201,950)
Net Cash Provided By (Used In) Investing Activities	(13,105)	81,626
Net Increase in Cash and Cash Equivalents	61,939	117,148
Cash and Cash Equivalents at Beginning of Year	1,434,167	1,317,019
Cash and Cash Equivalents at End of Year	$ 1,496,106	$ 1,434,167
Supplemental Disclosure:		
Taxes Paid	$ 260	$ 260

See the accompanying notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Operations - The Town of Union Local Development Corporation (LDC) was established to aid the Town of Union in growth and development of business concerns by encouraging the location of industrial, manufacturing and commercial capacity, and the creation of new and improved job opportunities and retention of existing jobs within the geographic boundaries of the Town of Union.

B. Reporting Entity - The LDC is a nonprofit corporation and is a component unit of the Town of Union. The requirements under the U.S., Office of Management and Budget Circular A-133, "*Audits of the States, Local Governments, and Non-Profit Organizations*" have been satisfied at the reporting entity level.

C. Basis of Accounting and Presentation - The financial statements of the LDC have been prepared on the accrual basis of accounting and are presented in accordance with the provisions of the Financial Accounting Standards Board Codification (ASC) 958-205 "*Financial Statements of Not-for-Profit Organizations*". This pronouncement requires not-for-profit organizations to report information regarding their financial position and activities according to three classes of net assets as follows:

Unrestricted Net Assets - Represents resources recognized as unrestricted and/or resources generated by other sources, which are expendable and available for support of operations.

Temporarily Restricted Net Assets - Represents resources recognized as restricted support until such a time when all associated restrictions have been met. The activities relative to the Community Development Block Grant and Urban Development Action Grant programs administered by LDC are accounted for as temporarily restricted net assets.

Permanently Restricted Net Assets - Represents resources that contain a stipulation that permanently restricts the use of such funds but allows earnings from the funds to be used in a certain manner. The LDC has no permanently restricted net assets.

D. Federal Income Taxes - The LDC is tax exempt under Section 501(c)(3) of the Internal Revenue Code. Accordingly, it is not liable for income taxes or federal unemployment insurance. The LDC files annual informational returns to the Internal Revenue Service (Form 990) and to New York State Department of Law (Office of the Attorney General) (Form CHAR500). The LDC has not been informed of any tax examinations by either the Internal Revenue Service or New York State.

The LDC has adopted the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) No. 740, "Income Taxes", as amended. Management has determined there were no liabilities for unrecognized tax benefits as a result of this implementation. Furthermore, management has estimated that there are no material unrecognized tax benefits for either the U.S. Federal or New York State jurisdictions for which it would be subject to income tax as of December 31, 2014 and as such, has not recognized any interest or penalties that would have been related to these benefits, if applicable. The tax years 2011, 2012, and 2013 are still open for both federal and state purposes.

E. Cash and Cash Equivalents - The LDC considers short-term, highly liquid investments with original maturities of three months or less to be cash equivalents.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Support and Revenue - LDC is funded principally through grants from the Town of Union Community Development Block Grant Program (CDBG). LDC recognizes the grant funds from CDBG when received, which coincides with the disbursement of funds by LDC for various operation expenses and new loans.

LDC also receives revenue in the form of repayments on loans from the Urban Development Action Grant Program (UDAG) and grants from the Town of Union's (UDAG) program. Program income generated from CDBG and UDAG loans is recognized as revenue when received.

The Town of Union contributes office space to the LDC for its operations. The accompanying financial statements include amounts for this contributed service, which as of December 31, 2014 and 2013 was valued at approximately $3,290 and $2,924 by management, respectively.

G. Compensated Absences - The LDC utilizes employees of the Town of Union. The amount shown as of December 31, 2014 and 2013, represent unused vacation pay and sick leave as allowed per the Town's personnel policy.

H. Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

I. Expendable Restricted Resources - Certain resources of LDC are considered temporarily restricted. Donor, grantor, or other outside parties have restricted the use of the funds for particular purposes. Temporarily restricted resources held by the LDC include the following:

CDBG Resources - Amounts received from drawdown requests for federal assistance and program income generated from CDBG monies, including principal and interest repayments on loans, penalties assessed on delinquent loans, and interest earned on the investment of these monies.

UDAG - Amounts received from repayment of principal and interest on UDAG loans.

J. Reserve for Doubtful Loans - The LDC follows the policy of providing currently for bad debts in order to maintain an adequate reserve for anticipated losses. Management anticipates certain loan receivables are doubtful as to collection and therefore, established a reserve for doubtful loans receivable of $-0- and $57,461 at December 31, 2014 and 2013 respectively. Accounts receivable are stated at the amount management expects to collect.

NOTE 2 - LOANS RECEIVABLE

Loan Transactions are summarized as follows:

	2014	2013
Loans Receivable Balance, Beginning of Period	$ 1,003,282	$ 1,084,908
Year Ended December 31, Activity:		
Loan Advances	255,894	201,950
Loan Write-Offs	(57,460)	-
Principal Repayment	(242,789)	(283,576)
Loans Receivable Balance, End of the Period	958,927	1,003,282
Less: Reserve for Doubtful Loans	-	(57,461)
Less: Current Portion of Loans Receivable	(182,920)	(217,943)
Long-Term Portion of Loans Receivable	$ 776,007	$ 727,878

The principal balance at December 31, 2014 includes $220,000 loaned from Community Development Block Grant (CDBG) funds and $35,894 in Urban Development Action Grant (UDAG) repayment funds.

NOTE 3 - CONCENTRATION OF CREDIT RISK

Financial instruments, which potentially subject the LDC to concentrations of credit risk, consist of deposits with a single financial institution, cash in excess of FDIC insurance, and loans receivable. The LDC generally places its cash and investments with quality financial institutions and collateralizes cash deposits in excess of FDIC coverage with obligations of the United States and its agencies. Furthermore, the Federal Deposit Insurance Corporation (FDIC) provided coverage up to $250,000 per depositor, on non interest bearing accounts, through December 31, 2014.

Concentrations of credit risk with respect to loans receivable are limited due to the large number of loans and the dispersion across many different industries. Also, the LDC requires security to support the loan receivable.

NOTE 4 - COMMITMENTS AND CONTINGENCIES

The LDC has approved various development loan commitments as of December 31, 2014. Such commitments will be funded upon the satisfaction of all loan provisions by the applicants and the availability of funds at the time of closing the loan.

NOTE 5 - TOWN OF UNION AGREEMENT

The LDC had an agreement with the Town of Union, regarding the use of CDBG funds for various economic development programs. The agreement was renewed on November 7, 2012 and expired on September 30, 2014. The LDC is in the process of renewing their agreement with the Town of Union, regarding the use of CDBG funds for various economic development programs. Either party is able to terminate without cause upon 30 days written notice. Upon termination, all loans related to funds allocated by CDBG Program become the property of the Town of Union and the LDC shall assign to the Town related security interest. As of year-end and through the date of this report, the agreement has not been extended, but both parties are negotiating to finalize the agreement, and continue to operate under the terms of the expired agreement.

NOTE 6 - NET ASSETS RELEASED FROM RESTRICTION

Net Assets were released from restriction by incurring expenses satisfying the restricted purposes during the year ended December 31, 2014.

NOTE 7 - COMPARATIVE FINANCIAL INFORMATION

The financial statements include prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Town of Union Local Development Corporation's financial statements for the year ended December 31, 2013 from which the summarized information was derived.

NOTE 8 - EVENTS OCCURRING AFTER REPORTING DATE

The Corporation has evaluated events and transactions that occurred between January 1, 2015 and March 20, 2015, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

SCHEDULE 1

TOWN OF UNION LOCAL DEVELOPMENT CORPORATION
SCHEDULE OF LOANS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2014

	Loan Principal Balance as of 01/01/14	Year Ended December 31, 2014 Advances	Repayments	Write-Offs	Loan Principal Balance as of 12/31/14
CDBG Loans:					
500 North Street, LLC	$ 63,344	$ -	$ 6,460	$ -	$ 56,884
Arrotech	1,512	-	1,512	-	-
Beautiful Streamer, LLC	98,410	-	13,315	-	85,095
Benjamin, Yvonne (Magic Needle)	5,220	-	2,262	-	2,958
Binghamton Brewing Company	18,367	-	6,592	-	11,775
Connolly Companies, LLC	122,999	-	7,646	-	115,353
Digicon Imaging, Inc.	57,460	-	-	57,460	-
Dawn's Cakes	13,499	-	13,499	-	-
Engineering Manufacturing Tech	133,487	200,000	26,546	-	306,941
Jewels of Java, LLC	56,979	-	5,085	-	51,894
Kissick CSW, PLLC	8,081	-	3,279	-	4,802
MLR Ventures	25,749	-	16,994	-	8,755
New Vision Industries, Inc.	164,359	-	11,385	-	152,974
The North Brewery	-	20,000	2,178	-	17,822
Photonix Technologies, Inc.	5,765	-	2,614	-	3,151
ProLettering, LLC	16,082	-	8,626	-	7,456
R Spoor Enterprises, LLC	50,751	-	3,357	-	47,394
T&M Enterprises of Broome County, NY Inc.	41,045	-	2,848	-	38,197
Subtotal CDBG Loans	**883,109**	**220,000**	**134,198**	**57,460**	**911,451**
UDAG - Façade Loans					
Drain Brain Plumbing	20,833	-	20,833	-	-
Fast Eddies Café	14,972	-	3,390	-	11,582
Sheric Holdings, LLC	-	35,894	-	-	35,894
Subtotal UDAG - Façade Loans	**35,805**	**35,894**	**24,223**	**-**	**47,476**
UDAG Loans:					
JMI Partnership	84,368	-	84,368	-	-
Total Loans	$ 1,003,282	$ 255,894	$ 242,789	$ 57,460	958,927
Less: Current Portion Loans Receivable					(182,920)
Long-Term Portion of Loans Receivable					$ 776,007

See the accompanying notes to financial statements

Officers:
James J. Lewis, CPA*, ABV, CVA+
Alan D. Piaker, CPA
Ronald L. Simons, CPA
Roy E. Fuller, CPA
John R. May, CPA*
Angelo J. Gallo, CPA
Richard A. Lynch, CPA
Amy E. Brown, CPA**
Janeen F. Sutryk, CPA*

Members of:
American Institute of Certified Public Accountants
New York State Society of Certified Public Accountants

Piaker & Lyons
CERTIFIED PUBLIC ACCOUNTANTS
Established in 1955

(607) 729-9373
Fax: (607) 729-6893
Website: pnlcpa.com

Philip M. Piaker, CPA
(1921-2003)
Abraham L. Piaker, CPA
(1925-2005)

Of Counsel:
Allan R. Lyons, CPA
Kenneth L. Coleman, CPA

*Also Licensed in Pennsylvania
**Also Licensed in Maryland

Also Member of:
+National Association of Certified Valuation Analysts
*Pennsylvania Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Town of Union Local Development Corporation
Endwell, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the Town of Union Local Development Corporation(a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 20, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Town of Union Local Development Corporation's internal control over financial reporting (internal control) to determine the 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 Town of Union Local Development Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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.

92 Hawley Street • PO Box 1330 • Binghamton, New York 13902-1330

To the Board of Directors
Town of Union Local Development Corporation

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Union Local Development Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, the U.S. Department of Housing and Urban Development, others within the entity, the Board of Directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties..

Piaker & Lyons, P.C.
PIAKER & LYONS, P.C.

Binghamton, New York
March 20, 2015

Officers:
James J. Lewis, CPA*, ABV, CVA+
Alan D. Piaker, CPA
Ronald L. Simons, CPA
Roy E. Fuller, CPA
John R. May, CPA*
Angelo J. Gallo, CPA
Richard A. Lynch, CPA
Amy E. Brown, CPA**
Janeen F. Sutryk, CPA*

Members of:
American Institute of Certified Public Accountants
New York State Society of Certified Public Accountants

Piaker & Lyons
CERTIFIED PUBLIC ACCOUNTANTS
Established in 1955

(607) 729-9373
Fax: (607) 729-6893
Website: pnlcpa.com

Philip M. Piaker, CPA
(1921-2003)
Abraham L. Piaker, CPA
(1925-2005)

Of Counsel:
Allan R. Lyons, CPA
Kenneth L. Coleman, CPA

*Also Licensed in Pennsylvania
**Also Licensed in Maryland

Also Member of:
+National Association of Certified Valuation Analysts
*Pennsylvania Institute of Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL

Board of Directors
Town of Union Local Development Corporation
Endwell, New York

We have audited management's assertion that Town of Union Local Development Corporation maintained effective internal control over financial reporting as of December 31, 2014. The entity's management is responsible for maintaining effective internal control over financial reporting, and for its assertion of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assertion based on our examination.

We conducted our audit in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

An entity's internal control over financial reporting is a process affected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the preparation of reliable financial statements in accordance with accounting principles generally accepted in the United States of America. An entity's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in a reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity, (2) provides reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of the entity are being made only in accordance with authorization of management and those charged with governance; and (3) provide reasonable assurance regarding prevention, or timely detection and correction of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

92 Hawley Street • PO Box 1330 • Binghamton, New York 13902-1330

To the Board of Directors
Town of Union Local Development Corporation

In our opinion, management's assertions that Town of Union Local Development Corporation maintained effective internal control over financial reporting as of December 31, 2014 is fairly stated, in all material aspects.

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the authority and our report dated March 20, 2015 expressed an unmodified opinion.

This report is intended solely for the information and use of management, the U.S. Department of Housing and Urban Development, others within the entity, the Board of Directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Piaker & Lyons, P.C.
PIAKER & LYONS, P.C.

Binghamton, New York
March 20, 2015